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HOXHA BOOK ON REVISIONISM HAILED BY PARTY ORGAN

Tirana ZEH I POPULLIT in Albanian 15 Jun 79 p 2

[Review of the book "Enver Hoxha. Kunder revizionizmit modern" [Enver Hoxha. Against Modern Revisionism] by Shyqri Ballvora: "The Albanian Workers Party Has Placed and Places Marxism-Leninism Above Everything"; passage within slantlines printed in boldface]

[Text] The book "Enver Hoxha. Against Modern Revisions" was published recently. (It is a collection of works). This book contains selected materials by Comrade Enver Hoxha written in the years 1965-1967. The communists, cadres and workers find in this book the consistent struggle of the Albanian Workers Party against modern revisionism, headed by Soviet revisionism, for the defense of Marxism-Leninism.

The Albanian Workers Party, as a true Marxist-Leninist party, has considered and considers the defense of the revolutionary doctrine of the working class, from the revisionist deformations and distortions, as one of its basic tasks. The history of our party is the history of a determined struggle against all opportunistic and revisionist trends manifested in the international communist movement in the decades after World War II. This fact is clearly seen in the book.

What are some of the basic characteristics of the consistent and principled struggle waged by our party against modern revisionism emerging from the reading of this collection of Comrade Enver Hoxha's works "Against Modern Revisionism"?

First of all it must be stressed that the Albanian Workers Party has developed the struggle against modern revisionism like a party which comprehensively and thoroughly knows the always victorious theory, Marxist-Leninist theory. The great successes our people have achieved in the revolution and in the building of socialism are, first of all, the result of the fact that our party has thoroughly assimilated the essence of the

theory of Marx, Engels, Lenin and Stalin and that it consistently executed it in the struggle against all revisionist distortions. "We have implemented Marxist-Leninist teachings accurately...and we have achieved successes in every stage," Comrade Enver Hoxha emphasizes.

Our party assimilated the Marxist-Leninist theory not in an academic and pedantic manner, but in the fire of the revolutionary struggle for the liberation of the country and for the building of socialism, in the burning and thoroughly principled struggle against all opportunistic and revisionist tendencies. We Albanian Marxist-Leninists, Comrade Enver Hoxha said, came to Marx's philosophy through revolutionary practice, emphasizing that it is not possible to think of a true and complete assimilation of Marxist-Leninist theory without a live and active participation in the tide of the revolution and of the socialist building. Our party has always considered Marxism-Leninism the leading guide for action in the revolution, in socialist construction and in the struggle for the defense of the dictatorship of the proletariat and for the successful development of the class struggle under concrete historical conditions. "An organized party, guided in its life by Marxist-Leninist principles," Comrade Enver Hoxha has said, "has the possibility for successfully overcoming any obstacle or difficulty it encounters in the struggle during the revolution. Marxist-Leninist principles are implemented if they are organizationally and politically connected with the concrete situation."

It was this thorough knowledge of Marxist-Leninist doctrine that gave our party an opportunity to understand from the beginning the deformations and distortions which the revisionists--from Tito and Khrushchev, Togliatti and Thorez and their successors, Brezhnev and his lackeys, and Mao Zedong and his "heirs" to the "Eurocommunists," such as Berlinguer, Marchais, Carrillo and others--made to Marxist-Leninist doctrine.

Another basic characteristic of our party's struggle against modern revisionism, clearly expressed in the collection of Comrade Enver Hoxha's works "Against Modern Revisionism," is that this struggle has been and continues to be comprehensive in the theoretical, ideological, political and strategic plan, up to the denunciation of the pragmatic tactics and practices of the current domestic and international political life of the revisionist parties which are or are not in power.

It has been proved historically--and this is best shown by the experience of the international communist movement from its beginning and by the activity and struggle of Marx, Engels, Lenin and Stalin--that the political line and political strategy of the party of the working class can be correct only when it is based on theoretical arguments of dialectical materialism. The political line and political strategy of the revisionist parties have always been accompanied by the efforts of the revisionist "theoreticians" to deform the basic theoretical principles of Marxist-Leninist doctrine, of Marxist-Leninist philosophy and of dialectical materialism and to modify them according to the spirit of revisionism. "The revisionists," Comrade Enver Hoxha

stresses, "began their betrayal by revising the basic principles and teachings of Marxism-Leninism."

Therefore, the struggle of our party against modern revisionism has been total and comprehensive in defending the theoretical and ideological bases of the party of the working class as well as its political and organizational bases. Comrade Enver Hoxha has made a great contribution in this direction. In the collection "Against Modern Revisionism," Comrade Enver Hoxha has thoroughly dealt with the basic problems of the philosophy and political economy of Marxism-Leninism and of scientific socialism, generalizing the experience of the development of the revolution and of socialist building in our country and the experience of the revolutionary struggle of the people and, first of all, of the struggle of the working class and of the international Marxist-Leninist communist movement.

In its principled and consistent struggle against modern revisionism, our party has shown revolutionary courage, an unshaken confidence, because the principles it defends are invincible and always current. Our party's struggle against modern revisionism is based, first of all, on the thorough knowledge and unlimited loyalty to Marxism-Leninism, the always victorious doctrine and the only scientific theory.

The slogans "we place nothing above Marxism-Leninism," "the enemies of Marxism-Leninism also are our enemies," and "the more disguised the enemies of Marxism-Leninism are, the more dangerous they are" have become the party's motto; and Comrade Enver Hoxha emphasizes: "Only relations based on Marxism-Leninism are healthy; they contain in themselves the independence and sovereignty of the parties, the right of speech and of consultations and of equal discussions. It is under such conditions that state chauvinism or big party chauvinism is fought; there are no 'mother party' and 'daughter party.' Marxism-Leninism is the only director and leader of any party; it is the main factor from which everything depends. Marxism-Leninism is the foundation of the unity of all parties; it is their brain...."

It was precisely this deep and correct understanding of the essence of the revolutionary doctrine of the proletariat that made our party act courageously and come out also against those who, in the world communist opinion of that time, were considered as uncontested authorities, as was the Soviet revisionist leadership headed by N. Khrushchev, after the death of J. V. Stalin. One really needed courage, similar to that of Prometheus, to come out openly against the revisionist theses of the 20th Congress of the Communist Party of the Soviet Union, against Khrushchevite opportunism. Then, the Communist Party of the Soviet Union had the prestige of being a faultless party and, therefore, to come out against the activities and revisionist theses preached by its leadership really called for an extraordinary revolutionary courage, nurtured by and based on the thorough knowledge of Marxist-Leninist theory and on unlimited loyalty toward it.

The party of the working class must never be initiated by specific persons, by "specific authorities"; on the contrary, it must be led by Marxist-Leninist doctrine, by its basic principles. And all those who violate them, trample on them, and distort or deform them, whoever they might be, must be denounced and defeated ideologically and politically as the enemies of the proletariat, of socialism and of Marxism-Leninism. The revolutionary courage of our party was manifested once more in the open denunciation, before the entire world, of the thoroughly anti-Marxist-Leninist views of Mao Zedong and his disciples and of Mao Zedong's notorious idea, as completely revisionist theory and practice, which are being manifested in a complete and comprehensive manner, especially in the recent years, in the entire domestic and foreign political line of the Chinese party and government.

A very important characteristic of the struggle of our party against revisionism is its consistent and principled nature which forbids all dealings and all concessions in principles for the sake of the current policy and of the situations which are created time after time. A true revolutionary party like ours never gives up the basic principles.

One of the main principles of Marxist-Leninist science is that it accepts no compromise and no concession on basic matters. In all their revolutionary life and activities, Marx, Engels, Lenin and Stalin pursued an established very clear road and never allowed any kind of compromise or any kind of quibbling which the various opportunists and revisionists tried to make with regard to the revolutionary doctrine of the proletariat.

"The classics of Marxism-Leninism," Comrade Enver Hoxha stresses, "during all their revolutionary life have waged an irreconcilable struggle against all anti-Marxist tendencies, have always demanded a clear-cut separation from opportunists, and have always fought for a true principled unity of the communist and workers movement." Our party has also marched and marches on this consistent road. Because of its essence and content, Marxism-Leninism does not allow reconciliations and compromises in the field of theory and ideology. The Marxist-Leninist theory is a complete, thoroughly coherent doctrine and, as Lenin used to say figuratively, it is cast like a block of steel. Therefore, any grafting of its principles with other ideas which are foreign to its thoroughly revolutionary and rigorously scientific spirit is totally incompatible and is carried out with specified political aims. "The whole purpose of modern revisionists," Comrade Enver Hoxha stressed at the Seventh Party Congress, "is that by keeping certain formulations, to deform the entire Marxist-Leninist doctrine, to build a series of other anti-Marxist theories so as to harass the proletariat of one country or the world proletariat, to prolong the life of the capitalist bourgeoisie and to remove the revolution of the proletariat, if not to destroy it completely, be it in a certain country where the conditions are ripe or in several countries at the same time.

In its struggle against the various revisionist trends, our party has considered and considers all of them links in the same chain, as the main support of imperialism in its struggle against the working class. "The modern revisionists of all countries, hue and nuances," Comrade Enver Hoxha wrote in April 1965, "have a /common strategic road—the road of the liquidation of the revolutionary parties the working class, of their transformation from parties of the social revolution into parties of social reforms, 'into bourgeois working parties,' and the road of their union and fusion with the social democratic parties, also from the organizational point of view."/

This affirmation is of a principled importance; it shows that revisionism of all varieties is the sworn enemy of Marxism-Leninism and, therefore, one should not cherish any illusion about the possibility for making alliances with one variant of revisionism to fight another variant. The party and Comrade Enver teach us that all varieties of revisionism have a common ideological content and that there have not been and there are no ideological divergences among them: there are only tactical divergences dealing with the rhythms, forms and methods which should be adopted on their treacherous road. In the struggle it has waged and is waging against the various varieties of modern revisionism, our party takes into consideration not only what is common to all these tendencies, but also their characteristics, their specifics and their tactics in order to denounce them to the very end, as enemies of the revolution and of socialism, as the faithful lackeys of the bourgeoisie of their countries and of world imperialism.

The Albanian Workers Party, guided by the Marxist-Leninist teachings of Comrade Enver Hoxha, has seen the struggle against revisionism not only as a necessary condition to lead the socialist revolution in our country to the very end but also it sees it as an international task of the party itself before the international communist movement, with whose fate the fate of our party, as a Marxist-Leninist party, is also linked. Our party cannot remain indifferent to the attacks being made against our doctrine and against the international communist movement by the various revisionists. "The task of our party," Comrade Enver writes in his work "Imperializmi dhe revolucion" [Imperialism and the Revolution], "as well as the task of all true communists in the world, is that they should struggle with devotion to defend and purify our Marxist-Leninist theory from all the deformations being carried out against it by the bourgeoisie, the modern revisionists and all opportunists and traitors."

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ALBANIA

MINISTER STRESSES PREVENTION IN HEALTH SPHERE

Tirana SHENDETESIA POPULLORE in Albanian No 1, Jan-Feb-Mar 79 pp 3-9

[Article by Llambi Zicishti, minister of health: "For Further Improvement of the Preventive Nature of Our Health"]

[Text] Prevention has always been considered a basic principle of our socialist health, the cornerstone of all activity in the health sphere, thanks to the correct line of the party. Therefore, by implementing the recommendations of the party and government and the teachings of Comrade Enver Hoxha, its role has risen to a higher level from year to year.

At the time of the country's liberation the main activity in the field of preventive medicine was concentrated primarily on tracking down and combating the most widespread infectious and contagious diseases as well as a number of other diseases, especially those of the digestive tract and the respiratory system.

Measures were taken to improve the immunity of the population through the better organization of the vaccination of children and those age groups most exposed to the threat of contagious diseases.

Measures of a medical, economic and social character led, as is known, to the eradication of syphilis, malaria and trachoma, as well as to the gradual reduction of tuberculosis.

A series of positive results has been achieved in the direction of sanitation and hygiene, especially in the rural areas of the country, preservation of the natural environment and protecting it from pollution.

Development of sanitary and anti-epidemic services and curative and preventative services, especially in the rural areas, has made notable progress in recent years. Today in all districts there are directorates of hygiene and epidemiology equipped with various laboratories for making bacteriological, chemical and toxicological examinations and staffed with capable medical cadres who have provided satisfactory solutions to a series of problems related to the detection, prevention and combating of contagious diseases and many other factors detrimental to public health.

A very broad network of curative and prophylactic health institutions has been established. Today there are 3,778 such institutions, of which 3,112 are functioning in the rural areas alone, without taking in account 2,205 nurseries in the agricultural cooperatives.

Special attention has been shown for strengthening the health of mother and child. Mother and child consultation centers function in every village, the number of maternity homes and nurseries has been increasing from year to year and the level of medical assistance has been improving steadily.

Thanks to the continuous mobilization of health organizations and their fine cooperation with the mass organizations, satisfactory results have been achieved in improving the hygiene and sanitary conditions and the epidemiological status of the country. The promotion of hygiene in the city, the village, work centers and school and preschool institutions has improved.

In order to create a clean and cultured environment, in addition to the daily activity of health workers, repeated actions have been organized to intensify the promotion of hygiene in villages and especially in the remote areas.

An important role in improving the health culture of the masses has been played by health propaganda, which has been expanded in the village, the schools and work centers and has become even more diverse and differentiated.

In continuation of the implementation of tasks of the 11th Plenum of the central committee and the Seventh Congress of the party, the Council of Ministers at its meeting of 21 December 1979 made a special examination of the work done by the health organizations to increase the level of quality of health service, to improve the hygiene and health culture of the masses and to develop further the various sectors of medical science in our country. The Council of Ministers especially considered the need for the continual development of the preventive character of our health, the promotion of preventive measures and their integration into all types of medical service. In the resolution approved at this meeting, a series of important tasks are defined for both the health organs and the other state and economic organs. Both immediate and long-term tasks were provided in this resolution. They should be considered tasks with profound ideological, political and scientific content for the continuous improvement of the people's wellbeing and for increasing their vitality, dynamism and physical and mental capabilities in serving the socialist construction of the country.

It is worth emphasizing that despite the apparent results which have been achieved in the area of improving the country's health service and the hygienic, sanitary and epidemiological situation, quite a few shortcomings, deficiencies and weaknesses are still being noted in the field of preventive medicine. The health workers themselves have not always held correct

concepts about the need for and the important role of preventive measures. The idea still exists that problems of preventive medicine pertain only to workers in the sanitary and anti-epidemic sectors. Preventive medicine is often identified with hygiene in general. This concept is reflected particularly in the inadequate utilization of urban and especially rural curative institutions regarding problems of preventive medicine. In fact, the concept about preventive medicine is much broader than is its application today in daily practice. In recent years, while quite a few elements of preventive medicine have started being applied in several sectors of medicine, as in cardiology, surgery, dermatology, orthopedics, oculistics, etc., preventive medicine does not yet constitute the basis of the activity of every medical discipline.

The analysis which the Council of Ministers made on the further intensification of the preventive character of our health and the respective resolution which it approved will be a great incentive in all activity by the government and health organs to protect and strengthen public health. This resolution once again strongly emphasized the preventive principles of our health service and provided important orientations concerning the main directions to which our preventive measures should be addressed.

Where will we head in the future to develop our health service?

Special significance should be given to organizing hygienics in cities, villages and work centers in order to create in a short period a most cultured and hygienic style of living, to promote more hygienic and sanitary customs and expressions and to increase the demand for exemplary cleanliness in work centers and villages. It should be understood well that the health organs and the executive committees of district peoples councils are demanding a greater mobilization which must be realized through effective work in the direction of improving all of the country's health service and its hygienic and sanitary conditions.

The way to intensify the preventive character of our medicine, aside from measures of a hygienic-sanitary and educational character, is through better organization and expansion of dispensary functions. Dispensary work is closely related to the recognition and the dynamics of disease. Without these, the follow-up and application of treatment cannot be organized, the effectiveness of preventive and curative measures is poor and, as a result, the desired decrease in disease is not achieved. Attention must be shown for all diseases, but there are certain classes of diseases which, due to their massiveness, the disability which they cause and social problems to which they are related, require special attention. The judgment has therefore been made that emphasis should be given to diseases of the respiratory system, the heart, the circulatory system and tumorous diseases. Quite a few others, such as contagious and occupational diseases and those in the orthopedic sector, should be viewed with the same degree of seriousness. Measures should be taken to start making physical examinations on a broad scale at once so that dispensary related activity can start within the second half of 1979.

Physical examinations and dispensary activities should be especially worthwhile for lowering to the minimum or eliminating such infectious diseases as intestinal typhoid, dysentery, dermatomycosis, etc.

In connection with dispensary work, there is a better record of service in the struggle against tuberculosis. This, too, should improve its effort to further lower the occurrence of tuberculosis, aiming at decreasing both the incidence and the prevalence of this disease to a considerable degree.

The organization of dispensary work to the extent dictated by the current situation demands a mobilization of all health forces, organs of the government and of the economy, a most rational use of the experience we have acquired through the present time with dispensary treatment of malaria, venereal diseases and tuberculosis. It is necessary to intensify further the methodical and organizational effort connected with the integration of preventive dispensary work into the day-to-day work of outpatient and inpatient institutions in villages and work centers, coordinating the activity of medical institutions with those which have a more rigid preventive character, such as the directorates of hygiene and epidemiology.

The further expansion and extension of the dispensary treatment system requires that both the department and its subordinate district organs have a greater concern for the reorganization on a scientific basis of the recording, documentation and complete statistical study of all materials which will be collected during these physical examinations and in the entire system of dispensary treatment of diseases. Taking into consideration that the prevention of diseases is much more effective than is the treatment of them, the examination and systematic follow-up of contingents of healthy individuals at their place of work and residence is necessary.

Some of the existing norms and the actual specific situation should be reviewed, especially in connection with the geographical distribution of medical institutions, because the data available reflects a poor utilization of several regional hospitals, especially those in the vicinity of cities or national highways as, for example, in Diber District. There is a movement toward district and central hospitals. This indicates that the village physicians are not controlling the situation well and as a consequence they cannot process and take all of the preventive measures necessary to decrease the incidence of disease. In order to correct this situation, the district executive committees and their health sections should take measures to insure the best utilization of regional hospitals, exercising strong control and taking responsibility for hospitalization in city hospitals without criteria.

Since 1970 the number of hospital beds has remained about the same, seven per 1,000 residents. Because of steps taken to strengthen outpatient service, it has not been necessary to raise it. Because of the strengthening and expansion of dispensary service by increasing physical examinations and thus by detecting disease in its early phases, it turns out that, with

the exception of some individual sector, it will not be necessary at the present time to increase the number of beds over what we now have. The major objective should be to further reinforce outpatient service in accordance with the decisions of the 11th Plenum of the Central Committee.

Likewise, besides intensification of the dispensary work method in medical institutions, the work of institutions for mother and child should also be strengthened. By their very nature and manner of organization, such institutions as maternity homes, the women's consultation center, the consultation center for children and nurseries in both the city and village have a more pronounced preventive character. The relationship between urban and rural institutions and with pediatric and obstetric-gynecologic hospitals and departments should become even closer than it is now and the health consultations centers should be considered a component part of them. The preventive and curative activities, the day-to-day work and studies should extend to the smallest grassroots institutions. An organized and effective struggle should be made in the direction of preventing, detecting and treating dystrophy, rickets, miscarriage, premature births and the more common gynecological diseases (including female sterility). The prevention measures for preserving the health of mother and child should aim not only at decreasing the coefficient of the birth rate but also lowering the rate of infant mortality.

These measures provide special tasks for the pediatric and the obstetric-gynecologic clinics, the nucleus of pediatric studies and the mother and child branch of the Ministry of Health. In the spirit of this resolution they should review the plan of measures once again and define new tasks for advancing the schedule provided for concluding the studies, especially on dystrophy, rickets and abortion.

The Council of Ministers' new resolution pays special attention to protecting the environment from pollution so that in the future our country remains the cleanest in Europe. It should be kept in mind that, although both the decree of the Presidium of the People's Council and Council of Ministers' Resolution No 205 have been out since 1973, it is obvious that not all of the ministries and executive committees of district people's councils have properly carried out their tasks in this direction. In several of our cities, such as Tirana, Vlore, Fier, Lac, Shkoder, Durres, Elbasan, etc., industrial zones have been created which demand special attention with respect to protecting the environment from pollution. Above all, specific practical measures must be defined for gradually equipping enterprises with special plants or other means for cleaning up industrial waste and refuse and for establishing laboratories to determine the degree of pollution in enterprises' environment.

The Ministry of Industry and Mines, the Ministry of Light Industry and Food Industry and the executive committees and enterprises in the respective districts should review the situation and define measures as soon as possible to protect the surrounding environment and the working environment in metallurgy, in the enterprises producing pesticides and PVC, in the paper industry, the industry producing batteries, etc.

The work which needs to be done at the enterprises which produce and market foodstuffs is also important. All of the standards on the permissible microbial content in food should be reviewed and completed. This requires raising hygiene and cleanliness standards to a still higher level and increasing the demand for accounting by the enterprise management, the department heads and down to the simplest workers.

Another problem which should be kept in mind within the framework of protecting the natural environment is that of the care which must be taken in connection with technical and organizing measures for preserving, transporting and processing pesticides. Taking into consideration that we are in an advanced phase of our socialist agriculture, the use of chemical and organic fertilizers and pesticides should be accompanied by scientific studies for the protection of man's health. Starting this year, data should be collected on the danger of these products, the way to use them, the ways and means that they act upon the human body, the means of production, etc. The same measures should also be prescribed in connection with the diseases which are transmitted from animals to man so that they are kept under constant control and there is no chance of infection. The district health organs should get right on these problems and organize studies, investigations and physical examinations, the conclusions of which should be accompanied by organizational, technical and medical measures of a preventive nature.

The organs of the communal economy and the executive committees of district people's councils should make a greater effort to promote hygiene in cities and residential centers, to create a clean environment for raising urban culture to a higher level and to prohibit the use of sewage without first processing it so it is rendered harmless to public health and at the same time augments the amount of organic fertilizer for agricultural use. Greater care must be shown in this direction for the rural areas. The executive committees, the communal economy and health sections should take strong measures for the treatment of sources of drinking water, especially wells, establishing a regular regimen of chlorination and subjecting it to regular documented bacteriological control.

Under the conditions we are in, with the increase in health cadres and with the current requirements for the upbringing of children and the hygienic and health education of students, the need arises to organize health service in the preschool and school institutions. Without this service, it is difficult if not impossible to effect the prevention of diseases which start to appear during childhood and adolescence and which, if not detected in time, can cause suffering and chronic affliction at adulthood (such as heart disease, rheumatism, skeletal deformation, tooth and mouth diseases, damage to sight and hearing, etc.). The pertinent sections of executive committees should take preliminary steps now so the start of the new school year will find all of the necessary preparations for accomplishing this task, which should be accompanied by the training of teachers and the publication of needed textbooks and materials, such as courses on moral education, hygiene, etc.

The Council of Minister's resolution has devoted significant space to the reinforcement of health propaganda. It is not recognized and accepted as it should be in all sectors where our people live and work. Our department, along with the health sections, will take the appropriate steps to expand it, to improve it from the methodical and organizational aspects, to make propaganda more varied as to format, more easily understood by the people and, at the same time, more scientific, to increase publications for the masses and to commit all doctors, above all, to merge with the masses in order to raise the level of their health education. However, the other departments, without exception, should show greater interest in the health propaganda in the sectors they cover and consider it their duty to develop such propaganda. Our media organs--the press, radio, television, the "New Albania" cinema studio--are charged in the resolution to commit themselves more to public health education.

Our mass organizations--the front organization, the women's organization, the trade union organization and the youth organization--have cooperated well with the health organs to upgrade health education. The recommendation which has been made to all organizations to expand this cooperation more in the future will surely find better implementation.

The Council of Ministers' new resolution opens a new perspective in the development of all activity by health organs. However, in order to carry out this great program, the most appropriate and effective forms and methods should be found. First of all, the cooperations of all resources and facilities is needed for this and the link between health organs and other state and economic organs should be made as tight as possible.

The Council of Ministers' resolution should be analyzed not only by all echelons of health service but also by all of the enterprises and institutions, by the district and grassroots government organs and by the mass organizations, in such a way that everyone proceeds with a set plan of duties.

The executive committees and their health sections should concentrate their attention on improving the effort at every echelon, at every medical institution, insuring an organization based on strong objective criteria. They should endeavor that health cadres and workers become aware that the good organization of the work depends upon the correct political and ideological understanding which they should have about the great tasks which have been entrusted to them, upon the level of correct, effective, timely and quality implementation of tasks contained in the many directives, resolutions and dispositions of the party and government and especially the resolution about which we are writing, upon the best assimilation of moral standards which are characteristic of our workers in socialist health, which dictates that they be more demanding of themselves and others and understand their tasks in the light of our socialist medical ethics and deontology.

CSSR COMMENTATOR VIEWS PROGRESS, PROBLEMS FOR AFGHAN GOVERNMENT

Bratislava Domestic Service in Slovak 1630 GMT 11 Aug 79 LD

[Text] The following is a commentary by Marian Babic, an editor, on the complicated development of the Afghan revolution.

It is only 16 months since the Afghan Democratic Republic embarked on a new road of socioeconomic development. During this short period, however, the government and the People's Democratic Party of Afghanistan have taken significant steps towards achieving fundamental changes in the life of the country. The age-old aspiration of peasants has been fulfilled—they have become the rightful possessors of land. Within the framework of the recently completed first stage of the land reform, 285,000 families acquired land. Some 11 million peasants have been relieved of their age-old burden—a permanent state of indebtedness. For the first time in the history of the Afghanistan the free development of all nationalities and the equal status of women in society have been secured. A large-scale campaign against illiteracy, poverty and backwardness has started. The Afghan government has also adopted its first 5-year plan of development, within which framework more than \$2 billion are to be used to build the foundations of Afghan industry.

All these social and economic transformations are directed to one objective: the final victory of the popular democratic revolution and the creation of a society freed from all kinds of oppression of minorities and social oppression. The more convincing the successes of the Afghan Democratic Republic in building a new life in the country are, the more ferocious is the opposition of the enemies of the Afghan revolution, among whom are the remnants of aristocracy, feudal landlords, left-wing extremists and the reactionary circles from among the clergy. With the help of acts of sabotage, slanders and provocations, they are striving to reverse the development and return the country to the former order. The recent rebellion in the barracks in Kabul, which was quickly suppressed by government units with the help of the population, bears witness to the fact that these forces, in their effort to destroy the revolution, will not even stop at military rebellion. At the same time, it is obvious that behind the backs of this local counterrevolution there stand the forces of imperialism and international reaction. They use Pakistani territory as the springboard for attacks against Afghanistan,

and are even doing so with the knowledge and participation of the government of that country. At the same time, Maoist provocateurs are not missing among Afghan groups, either. In China and under the leadership of Chinese instructors, diversionary and subversive groups are trained and later sent to Afghanistan via Pakistan. Chinese weapons, too, flow through the self-same channels, destined for anti-government groups.

At the same time, certain circles in the West, together with Maoist propaganda and reactionary forces in the neighboring countries are striving to blacken the aims and tasks of the Afghan revolution, and they continue to make the well-known hints of alleged interference by the Soviet Union in the internal affairs of Afghanistan.

The Afghan people, as is shown clearly by the latest events in Kabul, reject such blackmail by the local reaction and imperialism, and are resolved to defend the gains of their revolution.

CSO: 2400

AFGHANS FULLY BEHIND THEIR GOVERNMENT

Bratislava ROLNICKE NOVINY in Slovak 9 Aug 79 p 5 AU

[Commentary signed (TL): "Afghan Peoples' Clear Answer to Reaction: Full Support for the Government"]

[Excerpts] The Sunday unrest in Afghanistan—which also afflicted the capital Kabul—has again revealed that international reaction still does not intend to reconcile itself to the developments in that country, which occurred after the victory of the Revolution in April 1978. Also this time the thread of the plot against the government of Nur Mohammad Taraki, the leader of the People's Democratic Party, leads beyond Afghanistan's border. From there the domestic counterrevolutionary groups are receiving no small support. From there a trenchant anti-Afghanistan campaign is being waged, designed above all, to instigate the less educated rural population against the progressive leadership of the state.

The manner in which the anti-Afghanistan campaign is being waged by the capitalist countries' mass information media clearly indicates that imperialist circles will really stop at nothing in order to preserve their positions in the existing situation and not jeopardize their profits, no matter what it might cost the nations of other countries.

Pointing to the armed actions carried out by the counter revolutionary groups armed and paid by [sources] abroad, the bourgeois press simply assumes that, allegedly, the majority of the population—even as much as three-fourths of it—are against the government.

However, the mass rallies of the Afghan population in all provinces, which had taken place following the repulsion of the latest, the Sunday reactionary forces' action, have clearly shown behind whom the people stand, whose policy they support. The rallies were attended by workers, peasants, students and intelligentsia (which also is a frequent subject of the western propaganda's speculations) and resolutely condemned the attempts of the domestic and foreign reaction to liquidate the achievements of the April revolution. They have identified themselves with the program of the implementation of

extensive socioeconomic reforms, of the democratization of the state structure and free development of all the country's nationalities. They have identified themselves with the government's foreign-political line designed to implement the principles of friendship and cooperation with all states and supporting peace, security and independence of nations.

The reactionary and imperialist forces see in the progressive and democratically oriented Afghanistan another shift in the correlation of forces in this area to their disadvantage. Therefore they would like to reverse the development to the old beaten tracks by intervening from abroad or by making use of the counterrevolutionary forces within the country. However, by their mass support for their government, the Afghan people gave a clear answer to such attempts.

CSO: 2400

BIOGRAPHIC SKETCH OF RELIGIOUS AFFAIRS MINISTER NOTED

Cologne RHEINISCHER MERKUR in German No 22, 1 Jun 79 p 3

[Article by D. L.: "Portrait of the Polish Minister of Office for Religious Affairs, Kazimierz Kakol"]

[Text] In one of his sermons, the primate of Poland, Cardinal Stefan Wyszyński, chose the parable of Jesus about the weeds in wheat which grow with the wheat until harvest time, and are harvested together with it until finally they are separated from the wheat and burned in bundles. He accompanied it with the summons that the Church should plant wheat and not weeds. He used the Polish expression "kakol," corn cockle = weed.

The Polish minister of religious affairs, Kazimierz Kakol, knows this word game. Usually jovial, especially with foreign visitors, he relates his last name to the New Testament and willingly-unwillingly describes the function which he has to fulfill according to the will of his party, the Polish United Workers' Party.

Kakol has many faces and nearly equally manifold are his tasks. On the one hand, according to the mandate of the constitution, which prescribes the separation of state and Church, he must provide order among the churches in the country and watch over religious tolerance. On the other hand, at the same time, he must do everything possible to weaken the churches, especially the Catholic Church. His most important function is to smile at foreigners, to refer to the tangible opposition between the Marxist state atheism on the one hand and the Church on the other hand as a game which actually concerns Poland alone.

He must project the image of a state in which the Church has its natural place. Visiting journalists are often taken in by this role. The role playing is rehearsed to perfection. In addition, the minister of religious affairs knows how to kiss the hands of ladies smoothly and how to overpower the men immediately with clever jokes, often using his own party (and the Jews) as targets. Polish Party Chief Edward Gierek could not have placed a more suitable entertainer in his service who nevertheless

proved to be a tough negotiator at the numerous conferences and polls with representatives of the Polish Episcopate, above all the Secretariat in Warsaw.

Kakol is convinced that the Church becomes weaker if it is not attacked frequently and he is right in his way. The Polish Church is strong and shows its teeth when it is attacked. It needs the unrest and the disagreements. A prolonged phase of friendly coexistence will only hurt it, it will blunt its teeth.

The son of a railroad worker, Kakol was born in 1920 in Warsaw, attended a gymnasium and consequently does not belong among the "pure" proletarian heads of the party and state leadership. During the Warsaw uprising he still fought on the side of the Polish army, that is, not with the left. He studied commercial law after the end of the war and was soon drawn toward journalism.

Already in 1957 he presided as chief editor of a law journal. In 1968 he was appointed docent of the Institute of Journalism at the University of Warsaw. In 1973 he became director of the institute. A year earlier he also made a name for himself as editor of the ideological journal NOWE DROGI. In 1971 he embarked on a party career, became candidate member of the Polish United Workers' Party Central Committee and finally he also reached the government: In 1974 he became state secretary for religious affairs with the rank of minister.

Kakol is a follower of the nationalistic minister of interior, supported by Gierek, General Moczar, chief of the Polish Security Service, who was named the "Polish Fouche" by journalists. In contrast to Moczar, leader of the so-called partisans, Kakol rose while the other was put out in the cold.

According to experts, in 1966 there were 200 workers in the Ministry of the Interior in Warsaw alone who were engaged in producing Jewish genealogical tables. But Kakol began earlier. He already initiated his anti-Semitic sorties by means of newspaper articles in 1965. In so doing he made an enemy, among others, of Simon Wiesenthal, the Nazi hunter.

The master in the Krakow suburb is indestructible, one of those political charmers who appear gentle and hit hard. His recall has already been reported often but he remains, even past the visit by the pope. When Pope John Paul II steps on the red carpet in the Warsaw airport, Kakol will also be there among the first to greet him.

ROMANIA

LAW ON ECONOMIC CONTRACTS AMENDED, REPUBLISHED

Bucharest BULETINUL OFICIAL in Romanian Part I No 64, 14 Jul 79 pp 1-15

[Law No 3 of 6 July 1979 for the Modification and Completion of the Law on Economic Contracts, No 71/1969]

[Text] On the basis of Article 57 of the Constitution of the Socialist Republic of Romania, we sign and forward for publication in the BULETINUL OFICIAL of the Socialist Republic of Romania Law No 3 of 6 July 1979 for the Modification and Completion of the Law on Economic Contracts, No 71/1969.

[Signed] Nicolae Ceausescu, president of the Socialist Republic of Romania
Bucharest, 13 July 1979.

Law for the Modification and Completion of the Law on Economic Contracts,
No 71/1969

The Grand National Assembly of the Socialist Republic of Romania approves
this law.

Article 1. - The Law on Economic Contracts, No 71/1969, republished in
BULETINUL OFICIAL of the Socialist Republic of Romania No 120 of 6 August 1973,
is hereby modified and completed, with the following contents:

The Law on Economic Contracts

The strengthening of the worker self-management and economic-financial
self-administration of each socialist unit, within the framework of the
unitary management of all economic activities through the unique national
economic-social development plan, requires the continued improvement of
contractual relations for the purpose of stimulating the growth of economic
efficiency and broadening the exchange of products, projects and services,
as well as for justifying, achieving and exceeding plan goals.

Ensuring plan and contractual discipline makes it necessary for all organ-
izational levels to work firmly for the full respect of obligations regard-
ing the conclusion and execution of economic contracts, the reduction of the

time needed for supply-production-sale and the acceleration of the rate of turnover of circulating means, and use of material and monetary funds with a maximum of efficiency.

In the field of foreign trade activities, the economic contracts system must ensure the intensification of foreign trade and international economic cooperation activities and the economic trade of our country with other countries.

The application of the new economic-financial mechanism and the continuing improvement of economic contracts and the strengthening of their role in the justification and achievement of plan tasks must lead to the growth of cooperation and responsibility of the socialist units, workers' collectives and collective leadership organs for the efficient administration of that part of the national wealth entrusted to them for administration for the purpose of satisfying the requirements of the national economy.

Chapter I

Basic Principles

Article 1. - The economic contract has the role of regulating the achievement of production within the established quantities, quality and timeframe, as well as the financial relations between socialist units, while respecting the costs and other economic and financial indicators, in accordance with the provisions of the unique national plan for the purpose of fulfilling the objectives outlined for economic-social development and the satisfaction of the requirements of export and international economic cooperation activities.

The reciprocal production and financial relations between socialist units established through economic contracts must ensure the fulfillment of the units' tasks and objectives for the higher use of all material resources and manpower, the use of production capacities with a maximum of efficiency and the raising of the qualitative level of all economic activities.

Through its content and functions, the economic contract is a basic instrument in the activities of planning and achieving the provisions recorded in the unique national economic-social development plan.

Article 2. - The domestic economic contract, regarding the delivery of products, the execution of projects and services between socialist units, must ensure the justification and fulfillment of the objectives and goals of the unique national economic-social development plan, in accordance with the Directives of the Romanian Communist Party for the economic-social development of the country.

Article 3. - The foreign contract, between socialist units and foreign partners, must ensure the use of the advantages of participating in the international division of labor, the extension of foreign trade and economic cooperation in production and the justification and achievement of the foreign trade plan under conditions of the continuing growth of the technical and economic potential of the Socialist Republic of Romania, with strict respect for the principles of sovereignty and national independence, equal rights and mutual advantage, and non-interference in domestic affairs.

Article 4. - Domestic economic contracts between socialist units will be concluded on the basis of tasks established in the five year plan, prior to the beginning of the execution of the plan, to which and the socialist units are obliged:

- a) to ensure full contracting of the production established in the five year plan, on the basis of the order portfolio and plan norms and in accordance with the destinations in the product schedules;
- b) to conclude long-term contracts on the basis of the future development orientations and prognoses for the national economy, especially for the basic raw materials, machinery, equipment and installations having long production cycles;
- c) to conclude contracts for objectives of scientific research, technological development and the introduction of technical progress for the entire period of the achievement cycle, from the beginning of the projects to the assimilation of the results in production.

According to law, on the date that the annual plan goes into effect by decree of the Council of State, plan tasks must be based upon firm contracts for nearly all domestic consumption.

On the basis of the finished plan provisions, the ministries, other central organs, the executive committees of the county and Bucharest municipal people's councils, the centrals and the enterprises will take the measures necessary to finalize the contracting and ensuring of all conditions for the purpose of achieving the established tasks.

Article 5. - Foreign contracts will be concluded in accordance with the objectives and tasks established in the five year plan.

Contractual relations with foreign partners will be established so that, upon the date of approval, the provisions in the annual plans referring to production for export and the necessary imports, as well as the cooperative actions will be based upon firm contracts, contract outlines, orders or agreements that will ensure the certainty of the sales of production and technical-material supply.

To this end, socialist units are obliged:

a) to conclude long-term contracts keeping in mind the orientations and prognoses for the development of the national economy and the agreements for collaboration with other countries for deliveries within the framework of international cooperative actions and especially for cooperation in production, for products destined for export, machinery, equipment and installations having a long production cycle, as well as for the import of the principal raw materials;

b) to ensure timely technical-commercial offers necessary for the higher use and diversification of production for export on a contractual basis, according to the demands of the foreign market;

c) to ensure continuity with foreign partners, equitable trade, mutual advantage, correlated import-export actions and the promotion of certain new, efficient forms of trade and cooperation.

Article 6. - For the conclusion of foreign contracts and in the development of international commercial relations there will be an attempt to ensure a balance of countries, groups of countries and geographic zones between imports and exports, within the framework of the general balance outlined in the plan, corresponding to the provisions of the approved balance of foreign payments.

The production for export and the carrying out of exports, as well as cooperative actions, must be achieved so as to provide the resources necessary for imports and the increase in hard currency reserves of the state and to lead to the continuing improvement of economic efficiency and profitability and benefits of production and foreign trade units, to increase national incomes and, on this basis, to consolidate the buying power of the national currency, both domestically and in relation to other currencies.

Article 7. - The socialist units are obligated to ensure over long periods of time their portfolio of orders, made up of all the orders from users and domestic and foreign contracts, for the sale of production that will lead to the full use of production capacities with a maximum of efficiency.

Domestic and foreign contracts for supplying raw materials and materials are concluded for long periods of time, according to the directions of the future development of the national economy.

Article 8. - Within the framework of activities of establishing a portfolio of orders, the socialist units are obligated:

a) to thoroughly study and resolve, as the producer, the requirements of domestic users and the foreign market so that the development of the capacities and structure of production will correspond to the specific needs of the economy;

b) to conclude contracts within the scope of their production for all products ordered by purchasers within the structure and variety corresponding to plan tasks and for satisfying the demands of domestic consumption and exports;

c) to make proposals, according to law, in cases where sales are not ensured for certain products for using their production capacities to make the products requested by users, especially for export;

d) to take measures for the continuing modernization of products destined for domestic consumption and export and for the production of goods that will make higher use of raw materials, at an increased and competitive level with reduced production costs.

The start-up of production is prohibited on products that do not have assured sales by way of contracts or firm orders for domestic consumption or sale on foreign markets.

According to law, goods can be produced if they are the object of stock transactions and auction sales, as well as other goods justified by foreign market demand, on the basis of a contract concluded with a foreign trade enterprise prior to the conclusion of the foreign contract.

Article 9. - In carrying out the economic contract, the socialist units and those organs subordinate to them are responsible for strengthening plan and contractual discipline, fully respecting the obligations assumed in contracts, reducing the length of time of the supply-production-sales cycle and accelerating the rate of turnover of circulating goods, and using material and monetary funds with a maximum of efficiency.

Article. 10 - The ministries, other central and local organs and the centrals to which the supplying and consuming units are subordinate are responsible for concluding and pursuing the execution of economic contracts, in accordance with the provisions of this law.

The collective leadership organs of the socialist units have the obligation to take the measures necessary for concluding and executing economic contracts, for the purpose of fulfilling the plan tasks. The directors and, depending upon their job duties, the workers in the unit are directly responsible for concluding contracts on time and completely fulfilling the obligations assumed through these contracts.

Article 11. - The Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets, together with the ministries, other central organs, centrals and balance coordinators, are responsible for the organization and follow-up, at the level of the national economy, of the activities of concluding and executing economic contracts for the sale of production domestically and of ensuring technical-material supply within the general balance established in the plan.

Article 12. - The economic production units, centrals, foreign trade enterprises, ministries and other central organs with export tasks are responsible for giving priority to ensure the fund of goods for export and to carry out exports under high quality conditions, with rigorous respect for the conditions and terms outlined in foreign contracts, as well as to receive full and timely payments from the foreign partners in hard currency.

Article 13. - The Ministry of Foreign Trade and International Economic Cooperation, the ministries, centrals and production enterprises will work to justify and prepare the foreign trade plan under optimum conditions and to establish relations of international economic cooperation, and especially relations of cooperation in production, with enterprises and firms in other countries. They are responsible for ensuring contracts over the longest possible period of time through which they can achieve a balance between imports and exports, for pursuing the execution of contracts and for effectively adapting production to foreign market demands.

Chapter II

Economic Contracts Between Socialist Units

Section I

Concluding Economic Contracts

Article 14. - Economic contracts, depending upon the object, can be for the delivery of raw materials, materials and products, for cooperation in production, for supplying energy and for scientific research, design, construction-assembly projects and other services specific to the economic relations between socialist units.

The content of the contractual categories outlined in paragraph one is established according to this law and to the specific regulations of that field of activity, as well as with respect to the framework determined by model contracts drawn up by each branch, group of products or category of projects and services.

The model contracts are approved by ministries, other central organs and the executive committees of the county and Bucharest municipal people's councils for their fields of activity, with the input from the ministries and other interested central and local organs and the approval of the Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets.

Article 15. - Domestic economic contracts between socialist units are concluded for the following timeframes:

a) for periods of 15-20 years for basic raw materials — coking and energy coal, bituminous shale, crude oil, natural gases destined for use in chemical processes, ferrous, non-ferrous and non-metallic ores and other products of the mining industry;

b) for periods corresponding to the fulfillment of the goals in the five year plan and for all the production established in the plan;

c) for the entire period of the activity, if this activity exceeds the period of the five year plan, as in the case of machinery, equipment and technological installations to be used in investment projects, of other equipment with long production cycles, of construction-assembly projects and of other similar situations.

The socialist units are obligated to ensure through long-term contracts all the cooperation necessary for the achievement of production or complex deliveries, keeping in mind the specialization of production and the need to establish certain relations of continuity between the units that are cooperating.

Article 16. - In the case of certain newly established actions during the fulfillment of the five year plan, economic contracts will be concluded on the date approval is given to the actions and for the timeframe corresponding to the fulfillment of the plan tasks.

Article 17. - In the case of certain products for which the varieties, types, dimensions or other characteristics necessary for carrying out the assumed obligations have not been specified on the date of contracting, the parties will outline the terms of presenting these characteristics, timeframes that will not allowed to exceed six months prior to the date of delivery.

For machinery, equipment and installations having a longer production cycle, the technical documents and orders will be turned over by the user within the timeframes outlined in the annex, which is an integral part of this law.

Article 18. - For those goods destined for the market fund, whose make-up frequently varies depending upon the demands of the domestic market, contract outlines will be concluded for the entire period of the five year plan that will be adapted and detailed each year or, if need be, seasonally.

Similarly, contract outlines will also be concluded for the delivery of new products that are to be put into production during the period of the five year plan. The parties will detail and specify the provisions of these contracts after approval is given for homologation and introduction into production of the contracted products.

Article 19. - In the case of complex deliveries -- equipment, machinery, installations, technological lines -- a single contract is concluded between the general supplier and the user.

The general supplier is responsible for completely achieving the objective of the complex delivery, to which end he must principally ensure:

- a) the delivery of equipment, subassemblies and domestic and imported equipment within the timeframes outlined in the step-by-step investment chart and under the conditions established in the approved documentation;
- b) the quality of the supplies and the operation of the equipment, machinery, installations and technological lines within the approved parameters;
- c) the granting of technical assistance in the assembly, carrying out of technological testing and starting up of facilities under the conditions outlined in the contract;
- d) the delivery of the primary pieces of equipment and documentation for the production of spare parts, under conditions established according to law;
- e) the training and instruction of personnel using the equipment, installations and delivered technological lines.

Depending upon the specific nature of the complex deliveries, the general supplier is also responsible for fulfilling the other obligations outlined by law as its tasks.

Article 20. - To achieve the complex deliveries, the general supplier will conclude contracts of cooperation with units specializing in the production of certain components, parts and assemblies or subassemblies, through which they will principally ensure:

- a) the steady rate of delivery of components, parts, assemblies and subassemblies, in accordance with the timeframes established for carrying out the complex deliveries;
- b) the quality of the products delivered in cooperation, with full respect for the technical-construction documentation of the object of the complex delivery;
- c) the technical assistance and, if need be, specialized services;
- d) the establishment of a system of guarantees for all the suppliers who are cooperating; the timeframes of the guarantees are calculated from the date the object of the complex delivery is turned over to the user;

e) the keeping of parts' production costs within the provisions of the budgets of incomes and expenditures for all the units that are cooperating.

The content of the contracts of cooperation must be in agreement with the principal clauses in the contract concluded between the general supplier and the user and correspond to the provisions in the approved program of cooperation.

The provisions of this article are also applied in the case of contracts of cooperation concluded between the principal supplier of a complex product and the collaborating specialized units.

Article 21. - For technological equipment and complex installations, the parties are obligated to establish by contract, principally, the following clauses:

a) the timeframes for the delivery of equipment and installations, correlated with the assembly cycle, the timeframe for start-up, as well as transportation schedules, with the production and delivery of equipment that will be immobilized in storage being prohibited;

b) the timeframes and responsibilities for turning over complete technical documentation for the entire objective or for assemblies and subassemblies that can be independently produced, keeping in mind the delivery schedules for the equipment as established according to letter a) and the production cycle of this equipment;

c) the obligations of the supplier to provide assembly documentation, technical assistance at the assembly site, start-up testing, training for personnel, delivery of spare parts and service during the guarantee period.

Recipients of investment funds will place in their contracts with design units clauses regarding the necessary guarantees for turning over on-time and complete definitive technical execution documentation.

Article 22. - Economic contracts are concluded by agreement of the parties on the basis and in the execution of the socialist units' tasks in the unique national economic-social development plan and will have to include, as case may be, principally:

a) the identification of the contracting socialist units and the persons empowered to sign contracts;

b) the period of execution in kind of contractual obligations through the determination of quantities, the establishment of conditions of quality and acceptance and the adaptations and constructive and technological improvements that must be made to the products;

c) quantitative deductions over the timeframe of execution, graduated over years and quarters;

d) the prices and charges in effect on the date of concluding the contract, as approved by the rightful organs; the prices and charges can also be established, under the conditions of law, at a date after the conclusion of the contract, with the first delivery or service being made on the basis of the approved price or charge; the means of payment;

e) the means of carrying out technological testing, the forms of technical assistance and the type of guarantees;

f) the conditions for packaging, marking, labelling and shipping and the best means of transport;

g) the contractual responsibilities of the parties;

h) any other clauses necessary to fully carrying out the obligations assumed in the contract.

Article 23. - Clauses contrary to the law cannot be included in economic contracts. Clauses that violate legal provisions are void and are to be replaced with provisions that correspond to the law.

The contract will be completely void only if the void clause cannot be replaced.

Article 24. - Economic contracts are concluded by enterprises, as well as by centrals or other socialist units according to law.

For new units and those scheduled to be put into operation after the date the plan is approved, economic contracts regarding the sale of production and technical-material supply will be concluded by centrals or other socialist units in whose subordination these new units will operate. After start-up, the new units by law become parties in the contract.

Contractual relations between socialist units, as well as the modification of these relations, are established in writing. An order confirmed in writing, within the timeframe outlined by law, or the execution of the order is immediately equivalent to a concluded contract.

Article 25. - Economic contracts will be concluded within a period of 90 days maximum, with respect for the following timeframes:

a) the user unit will issue orders within 20 days from the date of receipt of plan norms and in the case of products for which material balances are drawn up from the date of receipt of allotments;

b) in a period of 30 days from the receipt of the user's orders, the supplying unit is obligated to issue a draft contract or, if need be, confirmation of the orders;

c) the user unit has the obligation to return the draft contract signed, with or without objections, within 20 days from the date of receipt;

d) when there are objections to the contract, the parties, if they are in the same location, must reconcile them in 10 days and if they are in different locations, in 15 days; meeting with the user is the job of the supplier;

e) the supplier is obligated to report within 5 days to the competent organ for the resolution of eventual irreconcilable objections. In the event the time period is exceeded, the objections of the user are considered to the accepted, if they do not violate the law.

Article 26. - Misunderstandings stemming from the conclusion of economic contracts, including those regarding the refusal to contract on the basis of plan norms that have been approved or allocations that have been issued, that could not be resolved by the contracting parties, will be resolved by:

a) centrals, in cases where the contracting parties belong to the same central;

b) the ministry or other central organ in cases where the contracting parties belong to different centrals subordinate to the same ministry or central organ and where misunderstandings could not be resolved by the centrals; the executive committees of the county and Bucharest municipal people's councils for socialist units in their subordination;

c) ministries, other central organs and the executive committees of the county and Bucharest municipal people's councils in cases where the contracting parties are subordinate to certain different organs and where the misunderstandings could not be resolved by the centrals to which they belong;

d) the Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets, within 20 days from the time of the report, in cases where the ministries, the other central organs and executive committees of the county and Bucharest municipal people's councils are not in agreement in the solution of the misunderstanding. The solution will be made on the basis of justifications presented by the parties and, if need be, with their participation.

The organs outlined in letters a), b) and c) have the obligation to resolve precontractual misunderstandings in at the most 10 days from the time of the report when the parties are located in the same place or 15 days when

they are in different locations; in the event of failing to reach an agreement, the competent organs are obligated to report the established solution within 5 days from the expiration of the timeframe.

The decision given in resolving misunderstandings stemming from the concluding of a contract becomes part of the contract on the date it is concluded. In the case of a refusal to contract, the decision takes the place of the contract until it is improved by the parties.

In the case of an unjustified refusal to contract, the organs competent to resolve precontractual misunderstandings will also make proposals to punish the guilty persons, according to the law.

Section 2

Adaptation of Economic Contracts and Conditions in which Contracts Can Be Modified

Article 27. - Economic contracts between socialist units will be adjusted annually by the parties by making the contracts agree with improvements that have been made, according to law, to the annual plans. To this end:

- a) upon putting the annual plan into effect by decree of the Council of State, the tasks in the five year plan for the following year will also go into effect so as to issue allocations in time that will serve as the basis for adjustments to concluded contracts and for those products that are the object of the material balances;
- b) the allocations will be issued by the balance coordinators and will include the suppliers and the users, the quantities, the technical-economic product identification characteristics and the delivery schedules;
- c) the contracts will be adjusted at the same time the plans are drawn up, at least 6 months prior to the start of the annual plan up to the date in which, according to law, the annual plan is put into effect by decree of the Council of State.

The parties are obligated to adjust the contracts in situations in which, under the conditions of the law, there are modifications to plan provisions, material balances and allocations upon which the contracts were concluded.

Article 28. - The unilateral modification or denunciation of an economic contract is prohibited. Similarly, the modification of the contract by agreement of the parties cannot be done if it involves elements contained in the material balances or in the allocations.

The parties can modify the contracts only with regards to those clauses which they established, in accordance with their authorities, exclusively by their agreement of intentions.

Article 29. - If the parties, by joint agreement, make modifications in the provisions of concluded contracts, the party that requested the modifications is responsible for the patrimonial consequences stemming from the modifications, according to law.

Article 30. - In the course of carrying out the contracts, the parties have the obligation to putting into effect the provisions of the contracts in accordance with the requirements for continually introducing and promoting technical progress.

Article 31. - The ministries, other central and local organs, the centrals and enterprises are responsible for providing the scheduled amount of stocks and for strictly staying within these amounts for the purpose of achieving continuity in production and a steady rate in fulfilling plan tasks.

In order to prevent the formation of stocks of raw materials, materials, spare parts and products above the scheduled amounts or the liquidation of these items, in those situations where the socialist units realize supplementary savings in materials, use replacements for certain scarce materials, where changes appear in the structure of production and in plan goals, or from other causes, the ministries, other central and local organs, and the enterprises are obligated to immediately take the measures outlined by law to ensure returning these stocks to the economic circuit.

On the basis of these measures, with approval and under conditions outlined by law, the socialist units are obligated to ensure, as case may be, the adjustment, modification or stopping of economic contracts.

Article 32. - The provisions of Articles 25 and 26 are appropriately applied to the adjustment, modification or bringing up to date of economic contracts.

Section 3

Execution of Economic Contracts and Contractual Discipline

Article 33. - The socialist units are obligated to execute economic contracts in kind, with full respect for quantities, quality, timeframes and other assumed obligations.

Economic contracts are the executors for the full period of time for which they were concluded.

Article 34. - The contracted products and projects will be delivered on the basis of quantitative and qualitative acceptance.

Keeping in mind the nature of the products, the contracting parties can agree for deliveries to be made through self-acceptance.

The means of acceptance or self-acceptance are outlined in the contracts, with respect for legal provisions.

Article 35. - For technological equipment, installations and other products of high technical complexity, acceptance by the user is mandatory. The user can give his acceptance to phases of production.

Article 36. - Production units and users of agro-zootechnical products destined to go to the state fund are obligated to ensure the turning over, acceptance and receipt of these products in the timeframes in the delivery schedules established in the contract.

The production units are obligated to turn over to the nearest collection center those agro-zootechnical products that are easily spoiled in cases where the user did not show up for acceptance according to schedule. The turning over of the products is done on the basis of the acceptance carried out by the collection center in the presence of a delegate of the local people's council or another neutral, competent delegate. The collection centers are obligated to accept, take and put to good use these products.

The production units are responsible for damages caused as a result of the failure to turn over these products to the nearest collection center on time.

Article 37. - The user unit is obligated to check, under conditions outlined by law, throughout the period of the execution of the contracted product the manner in which the supplying unit fulfills the agreed upon clauses regarding quality.

Article 38. - The socialist units have the obligation to deliver only those products which correspond to the quality conditions outlined in the economic contracts.

Products refused by the user unit for qualitative shortcomings are considered undelivered products if the supplier does not ensure corrections or their replacement, within the timeframe established by joint agreement with the user.

Article 39. - The reception and acceptance of products by the user unit that do not correspond to the quality levels outlined in the contract or, as the case may be, in standards, technical norms and terms of supply also brings responsibility for damages caused to public property.

During the guarantee period, the supplying unit is responsible for the quality of the products, while after the expiration of this period, for hidden faults uncovered according to law.

Article 40. - The supplying units are obligated to deliver the products within the timeframes outlined in the contract. The delivery of products at another time can be done in the following cases:

a) the advance delivery of products can only be done with the approval of the parties, given prior to each delivery. In the case of machinery, equipment and installations going to investment projects, advance delivery can only be made with the approval of the financing bank, which attests that the advance acquisition of the equipment is economically justified, with conditions being ensured for its assembly and use prior to the timeframes established in the approved technical-economic documentation;

b) the delayed delivery of products can only be done with the prior approval of the user, who can refuse to receive the product if, because of the delay, it is impossible to further use it or the level of normal stocks would be exceeded, as determined by law.

In the cases noted in letter b), the supplier is obligated to pay penalties and damages owed to the user, according to law.

Article 41. - Products fall under the direct administration or become the property of the user units, as the case may be:

a) on the date the products are turned over to the user unit;

b) on the date the products are turned over to the transporting organization, in cases where the forwarding of the products is the job of the supplying unit. The transportation organizations have the obligation of ensuring the transport of the products in good condition and are responsible, in the event of damages, for caused damages.

c) on the date the products are placed in the custody of the supplying unit, with the approval of the user unit and under the conditions of law.

On the date the products fall under the direct administration or become the property of the user unit, the user unit owes payment for the price of the product or the services and the risks move to the user.

The transfer of the right of ownership or the right of direct administration in the case of products delivered to units of the Ministry of National Defense and Ministry of the Interior is done under the conditions outlined by decree of the Council of State.

Projects are transferred to the direct administration or ownership of the user unit on the date of acceptance.

Article 42. - The supplying socialist unit can agree, at the request of the user, that the execution of the contract be stopped if this does not bring about the failure to meet plan goals and if the user supports the costs that cannot be recovered and that were made by the producer up to the date of cancelling the contract.

For products for which material balances are drawn up, the cancellation of the contract can only be done with the appropriate adjustment to the allocations, under the conditions of law.

Section 4

Contractual Responsibility

Article 43. - The ministries, other central and local organs, together with the Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets, are responsible for taking all the measures necessary for ensuring the complete execution of the obligations assumed by the socialist units through contracts and for carrying out a rigorous review of the fulfillment of contractual obligations by the parties and for establishing the responsibility of persons guilty of not executing or inappropriately executing the provisions of concluded contracts.

If after the conclusion of the contract certain causes are uncovered, other than force majeure, that would make it impossible for one of the parties to execute the contract, the ministries, other central and local organs and the centrals to which it is subordinate have the obligation to take the measures necessary to ensure the execution of the contract.

Article 44. - The socialist unit that does not carry out its assumed obligations or carries them out inappropriately owes the other party penalties, as well as damages, for the purpose of repairing the damages caused by its fault.

Damages are owed only to the extent in which the damage was not fully covered by the payment of penalties outlined in the contract and concern both the damages effectively suffered and the unrealized profit.

Article 45. - The parties are by rights late if they do not execute their obligations within the timeframes outlined in the contract.

The user is responsible for not executing the contract if it did not respect its obligations where the fulfillment of the contract depended upon the user.

Article 46. - The socialist unit whose contractual obligations cannot be executed because of force majeure, as determined according to law, is absolved of responsibility and has the obligation of informing the other parties of the impossibility of carrying out the contract within 5 days of the date of the appearance of this cause and to forward to them the documentary proof within 15 days at the most of this date; similarly, it is obligated to immediately communicate to them the date of cessation of the case of force majeure.

Cases of force majeure are analyzed and confirmed by the State Planning Committee for products whose balances are approved in the unique national economic-social development plan and by the Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets for those products that are the object of the other balances.

Article 47. - The penalties for not executing or inappropriately executing the obligations assumed in economic contracts are as follows:

1. of each day of delay in executing the obligations, for the period corresponding to the fulfillment of the annual plan tasks, .1 percent during the first 10 days, .2 percent during the following 20 days and .3 percent for period that exceeds 30 days, up until the date of execution in kind of the service, the renunciation by the user to this according to Article 40 or the impossibility of executing the obligation because of force majeure if the delay involves:

a) turning over or, as the case may be, drawing the products, accepting projects or receiving services;

b) presenting specifications or details necessary to the execution of the contract within the timeframes established in the contract, as well as, in the case of technological equipment and complex installations, turning over the technical documentation within the agreed upon timeframe for the entire objective or for assemblies and subassemblies that can be executed independently;

c) making available packaging on the part of the user when, according to the contract, it has this obligation or the repayment in terms for packaging, pallets, containers, accessories for palleting-packing and other similar means.

The penalty is calculated, in the case outlined in letter a), at the price of the product, work or service, in the case outlined in letter b) at the price of the product, work or service that could not be executed and in the case outlined in letter c) at the price of the service not achieved because the packaging was not made available or at the price of the packaging, pallets, containers, accessories for palleting-packing and other similar means. In the case of not making a refund:

2. for failing to respect the means of carrying out the acceptance or self-acceptance, there is a penalty of two percent of the price of the product, work or service that should have been accepted, if penalties are not applied for delaying the execution of obligations according to point 1, letter a);

3. for not executing in kind the obligations assumed in the contract, upon the date of the expiration of the period corresponding to the fulfillment of the annual plan tasks, there is a penalty of eight percent of the price of the product, work or service not executed;

4. for violating the obligations referring to:

a) the marking, stamping, packaging or forwarding of delivery documents that must accompany the transportation documents, there is a penalty of one percent of the price of each lot so delivered;

b) the forwarding of the certificate of quality, the analysis report, use instructions or technical books for the products and the guarantee certificate, there is a penalty of two percent of the price of each lot so delivered;

5. for each day of delay in paying the price from the date when it is due until the payment is made, there is a penalty of .1 percent during the first 10 days, .2 percent during the following 20 days and .3 percent for the period that exceeds 30 days on the amount that must be paid;

6. for each day of an unjustified refusal to pay the price or failure to refund sums paid out, without justification, from the date of the refusal until the date of payment and the date of receiving sums that are not owed until the date of their refund, there is a penalty of .3 percent of the value of the unpaid price or the unrefunded amount, as the case may be;

7. for the spoilage or consumption of products taken into custody, without the prior consent of the unit in whose favor the custody is established, there is a penalty of 10 percent of the value of the spoiled or consumed products.

The parties can establish in their contracts penalties larger than the ones outlined in this article, as well as the application of penalties for violating other obligations than those outlined in points 1-7, keeping in mind the specific nature of the economic relations for which the contract was concluded.

Article 48. - Patrimonial litigations between socialist units regarding not executing or inappropriately executing economic contracts are resolved by the State Arbitrator or other arbitration organ, according to law.

Chapter III

Foreign Trade and International Economic Cooperation Contracts

Section 1

Joint Provisions

Article 49. - Foreign trade and international economic cooperation activities are a state monopoly and are carried out according to the policy of the party and state regarding the broadening and diversification of foreign economic relations, in accordance with the provisions of the unique national economic-social development plan.

Article 50. - Foreign economic exchanges and international economic cooperation relations are made through contracts that are concluded in accordance with plan provisions, as well as long-term agreements, conventions or other international understandings to which the Socialist Republic of Romania is a party.

Article 51. - In the development of foreign economic relations with all socialist countries, developing nations and other states, the promotion of broad actions for cooperation in production and other forms of international economic cooperation will be ensured and, on this basis, the achievement of a balance between imports and exports, especially by concluding long-term two party contracts.

Imports of installations, machinery, equipment and subassemblies will have priority within the framework of actions of cooperation and export actions in exchange for products from the machine building industry.

Within the framework of international economic cooperation actions, there will at the same time be a pursuit of establishing joint companies and other forms of cooperation in production for the achievement of complex objectives, of executing industrial and civil construction projects, of providing technological engineering, consultings and technical assistance, and of carrying out certain actions of joint interest.

Article 52. - Foreign trade and international economic cooperation activities are carried out on the basis of the following categories of contracts:

- a) foreign contracts concluded with foreign partners;
- b) domestic contracts for the achievement of export operations and import and international economic cooperation operations concluded between production units for exports or users of imports and foreign trade enterprises.

Section 2

Foreign Contracts

A. Concluding Contracts

Article 53. - Offering and contracting by the foreign trade unit for export goods will be carried out only under the conditions outlined by law through the promotion of those products, works and services that ensure the higher use of the material resources used and that have a high level of quality and are competitive on the foreign market. Similarly, there will be a pursuit for the extension of those exports which put to better use our own ideas, in the form of licensing, technical documentation and complex deliveries.

Offers are drawn up by foreign trade units, on the basis of prospectii of the foreign market and the provisions of domestic agreements, and concluded according to laws referring to the fund of goods by type and interval placement outlined in the plan, for each production unit, as well as to the quality parameters and other conditions necessary to achieve the exports.

In the case where the foreign partners request the delivery of certain goods with characteristics different than those outlined in the agreements in paragraph 2, the offers are defined with the approval of the production unit.

The offers will include the conditions and means of payment, financing or credit and other elements necessary for concluding the contract, as well as the timeframe in which they can be accepted.

Article 54. - The production units are obligated to offer and place into production for export, as well as to achieve the diverse forms of international cooperation, those products that have a high technical and qualitative level, ensure the higher use of raw materials and are competitive on the foreign markets.

Article 55. - Contracting for imports is done while trying to ensure the balance between imports and exports through the comparative analysis and negotiation of the offers of foreign partners or through the issuance of orders, keeping in mind the prospectus of the foreign market.

In concluding contracts, priority will be given, under conditions outlined by law, to the offer that ensures the optimum satisfaction of the requirements of national economic development and foreign economic relations.

Article 56. - Foreign trade units will work to conclude long-term foreign trade contracts on a priority basis. To this end:

- a) long-term contracts are normally concluded for periods of 5 years or more;
- b) contracts for importing basic raw materials are established so as to ensure the supply of these materials for periods of 15-25 years;
- c) contracts of international economic cooperation for the delivery of goods, co-production, services and the execution of projects under conditions of reciprocity are especially established for periods of 10-15 years;
- d) contracts for cooperation in the joint construction and use of new economic objectives with a foreign partner in the Socialist Republic of Romania or abroad, as well as for the modernization of existing units in industry, agriculture and other branches or for the achievement of commercial actions in third party markets, are established for the entire period of achieving the objective of the cooperation.

Foreign contracts will also be established for shorter periods, depending upon the production cycle of the product or the specific nature of the agreed upon services.

Article 57. - For certain goods, especially machinery, equipment and complex installations, where ensuring the quality of the products, the technical performances and their behavior under use are decisive factors for keeping foreign markets, the foreign trade units will conclude, at the same time as the foreign delivery contract, the "service" contract and will take the appropriate measures to obtain this service and the necessary spare parts.

Article 58. - Contracts for cooperation regarding complex exports, installations and other objectives made abroad, are concluded and achieved, under the conditions outlined in the decree of the Council of State, by industrial centrals or other economic units in the capacity of general supplier.

The general supplier is responsible for achieving the complex exports, under the conditions and within the timeframes outlined in the foreign contract, to which end it must principally ensure:

- a) contracting for equipment, materials, subassemblies, technological lines, equipment from sub-suppliers and research and design projects from a general designer, as well as construction-assembly projects and specialty services from a general contractor;

b) the delivery, acceptance and transport of exported installations, equipment, materials and documents and the quality control of these items, in accordance with the regulations in effect;

c) putting the contracted installations into operation, carrying out tests to demonstrate that the designed parameters have been achieved, making the eventual corrections, turning over the installations and fulfilling obligations during the guarantee period, in accordance with the provisions of the foreign contract;

d) technical assistance and training of the foreign user's personnel, either in-country or abroad, under the agreed upon conditions with the foreign partner;

e) the efficiency and competitiveness of complex exports and the on-time payment of the amounts due for the deliveries and work done.

Article 59. - Contracts regarding imports of complex installations, as well as contacts for establishing joint companies, are concluded according to the specific regulations outlined by laws in this field.

The provisions of Articles 53-57 are also appropriately applied for foreign contracts that have as their objects services or carrying out projects.

Article 60. - Foreign contracts for exports, imports and international economic cooperation are concluded by foreign trade enterprises, as well as by centrals, production units and executors of projects and services authorized, according to law, to directly carry out commercial operations on the foreign market.

The economic units outlined in paragraph 1 have autonomy in reviewing the foreign market, selecting foreign partners and negotiating and concluding contracts, with respect for legal provisions.

Article 61. - Depending upon the nature and the object of the commercial operation, contracts can be concluded for sales-purchases, cooperation in production, carrying out projects, storage, commissions and commercial representation, granting technical assistance, maintaining machinery, equipment and installations, transportation and international shipping, establishing joint companies, transfer of technology, insurance, tourism and others practiced in international commercial relations.

In order to facilitate the conclusion and execution of foreign contracts, general conditions, typical contracts, contract outlines and other forms to consolidate commercial practices on the international market can be used.

Article 62. - Contractual relations with foreign partners, as well as the modification of these relations, are established in writing, with respect for the conditions of validating the agreements.

Article 63. - Foreign contracts are concluded through the agreement of the parties and must include, depending upon the specific nature of the foreign trade operation, principally:

- a) the identification of the parties and their representatives, as well as the definition of the object of the contract;
- b) the length of the contract, the timeframes and the place of carrying out the obligations, the means of acceptance and the resolution of eventual claims;
- c) the price and means of payment, the measures for preventing certain eventual monetary losses;
- d) the guarantees regarding the quality of the goods, the conditions for packaging, marking and packing, shipping and transportation;
- e) appropriate clauses for assurances, keeping in mind the trends of foreign events and national economic interests;
- f) the contractual responsibilities of the parties, applicable legislation and competent jurisdiction, as well as any other clause that is necessary that will be agreed upon by the parties under the conditions established in the General Code for Foreign Trade Activities of the Socialist Republic of Romania.

Article 64. - The contract can only be modified through the free agreement of the parties.

B. Carrying Out Foreign Contracts

Article 65. - Socialist units are responsible for the on-time delivery of goods destined for export, with respect for the conditions of quality and technical performance of these goods, and for ensuring the required quality control of the products being imported, as well as for fulfilling all the obligations they have assumed in concluded contracts.

Foreign trade units are obligated to ensure the full and on-time payment of the price of exported goods or, as the case may be, the reception of goods from the other party, as well as the achievement of all other rights that they have according to the contract.

Article 66. - The obligations to deliver the products destined for export, outlined in the economic contract, remain in effect for the entire period that the commitments are valid in the relationship with the foreign partners and within the limits of the conditions outlined in the contracts concluded with them.

Article 67. - In order to ensure the execution of the export and international economic cooperation contracts, the foreign trade enterprises, together with the production units, will establish programs for each contract that will contain measures to make the products and organize cooperation between enterprises, "service" and technical assistance.

Article 68. - The Ministry of Foreign Trade and International Economic Cooperation and the foreign trade enterprises will control, through its representatives at the plants and factories, the manner in which goods contracted for export are put into production and made, as well as in the actions for international economic cooperation they will determine the taking of effective measures to respect contractual obligations and will not allow the delivery to foreign partners of products that do not correspond to the contractual conditions.

For those products destined for export, including those in the framework of cooperative actions, especially machinery, equipment and installations where the quality of the products, technical performance and behavior during use are decisive in the promotion of exports, the foreign trade enterprises can carry out quality control through specialized control organs on the basis of contracts.

Organs of technical quality control in units and those of the General State Inspectorate for the Quality Control of Products will review the production process for the manner in which technological processes are respected in order to avoid the production of goods that are qualitatively inappropriate compared to the provisions in the contract.

Article 69. - The quality control of goods being imported is ensured under the conditions established by decree of the Council of State.

Article 70. - The Chamber of Commerce and Industry of the Socialist Republic of Romania can, according to law, carry out the quantitative and qualitative control of goods destined for export or being imported on the basis of the authority of the foreign partner or, as the case may be, of the Romanian enterprise.

Article 71. - All imports or exports are done only on the basis of an authorization issued by the Ministry of Foreign Trade and International Economic Cooperation, under conditions of law, for each product or group of products.

Section 3

Domestic Contracts for Achieving Export and Import Operations

Article 72. - Production units carry out their foreign trade activities through the intermediary of foreign trade enterprises, except for cases where they are authorized, according to law, to directly carry out commercial operations on the foreign market.

The relations between production units and foreign trade units for carrying out export or import operations are established, under legal conditions, through economic contracts of commission, economic delivery contracts and contracts for carrying out projects or services for export.

Article 73. - Upon the conclusion of economic commission contracts, the parties are obligated to establish:

- a) the commercial operations that are to be carried out in the name of the foreign trade enterprise on behalf of the economic unit that empowered it;
- b) the conditions for negotiating the operations for foreign trade and the technical-economic documentation necessary to fulfill the mandate granted;
- c) other elements to finalize the carrying out of the relations between the parties.

Article 74. - The production unit is responsible for executing the obligations established for it in the documents concluded by the foreign trade enterprise, within the limits of the mandate granted. Users of imports will pay the foreign trade enterprises for the value of the imported goods according to the payment of duty.

The conclusion or modification of a foreign contract, as well as any other document, under conditions different than those offered by the production unit, can be opposed unless they were made with the unit's prior approval or to the degree in which it approved them.

The rights to the goods and the corresponding risks are directly transferred, under the conditions of the foreign contract, from the production unit for exports to the foreign partner or from this partner to the unit using imports, depending upon the nature of the foreign trade operation.

Article 75. - Economic delivery contracts and contracts for carrying out projects or services for export are concluded on the basis of foreign contracts within 10 days from the date of receipt of orders issued by foreign trade enterprises. Under the conditions of law, these contracts can also be concluded prior to foreign contracts.

These contracts will contain obligations that are in close correlation with the appropriate foreign contracts.

Article 76. - The production units have the obligation to ensure the on-time delivery and appropriate types of spare parts necessary for the operation and use of machinery, equipment and installations that have been exported.

Article 77. - Domestic contracts to achieve export and import operations are subject to the provisions in Chapter II of this law depending upon the specific nature of the foreign trade activity.

Section 4

Contractual Responsibility

Article 78. - Patrimonial responsibility of the parties for not executing or inappropriately executing the obligations assumed in the foreign contract is established in the clauses of the contract.

The foreign trade enterprises, as well as, as the case may be, units authorized to directly carry out commercial operations on the foreign market, will pursue the achievement of damage payments that are owed them for violations of the contractual obligations by the foreign partner.

Article 79. - The production units are responsible for all damages or costs supported by the foreign trade enterprise as a result of certain claims made by the foreign partners and that are determined to stem from the violation of obligations assumed by these units in the contract.

The damages established according to paragraph 1 are owed only to the degree in which the damages are not covered by penalties.

Article 80. - Not executing or inappropriately executing the obligations outlined in the economic commission contract has as a direct consequence the payment of the following penalties by the guilty party:

a) for the failure to respect the timeframe for forwarding technical-economic documentation, as established in the contract, including the documents necessary for paying the value of the delivered goods, there is a penalty of 100 lei for each day of delay;

b) for the failure of the production unit to resolve complaints, demands or damages or penalties, as formulated by the foreign partners, within the timeframes outlined in the foreign contract, there is a penalty of .03 percent per month calculated on the value of the goods in the claim or the formulated claims;

c) for the foreign trade enterprise's exceeding of the timeframe outlined in the economic commission contract for beginning to make offers abroad, as well as for violating the timeframe for forwarding foreign complaints, there is a penalty of .01 percent for each ten-day period of delay calculated on the value of the specification, technical papers or delayed foreign complaint;

d) for the failure to respect the timeframe for notifying the production unit of the impossibility of executing the contract because of force majeure or the fault of the foreign partner, there is a penalty of 50 lei for each day of delay;

e) for the unjustified refusal of the foreign trade enterprise to deposit on-time the sums made from the sale of exported goods, there is a penalty of .3 percent for each day of delay.

Delays in making the payment of the commission is penalized according to the legal regulations referring to the non-payment of the price.

If the damage caused by the violation of a contractual obligation is not covered by penalty payments, the guilty party will pay for the rest of the damages so that they are fully covered.

Article 81. - Not executing or inappropriately executing the obligations assumed in the economic delivery contract for exports brings to the guilty party the payment of penalties double those outlined in Article 47, points 1-6 inclusively.

If the production unit delays in handing over the documents necessary for the payment of the value of the delivered goods, the penalty outlined in Article 80, letter a) is applied.

Chapter IV

Attributes and Responsibilities

Section 1

The Attributes and Responsibilities of the Ministries, Other Central and Local Organs and the Economic Units

Article 82. - The ministries and other central and local organs, each in its own field of activity, are responsible for the conclusion and execution of economic contracts between socialist units, as well as between these units and foreign partners, to which end they are obligated to take measures to:

- a) organize the surveying of domestic and foreign markets and ensure the establishment of portfolios of orders by units in their subordination;
- b) organize the process of concluding economic contracts and adjusting them in accordance with plan provisions;
- c) ensure the justification of plan goals on the basis of contracts to cover the tasks in the entire five year plan;
- d) draw up supply plans and issue orders, with respect for the norms and standards of consumption and approved stock levels;
- e) organize cooperation in production, effectively adjust production to satisfy the demands of the domestic and foreign markets, increase the quality and competitiveness of the products destined for export and better use these products on the foreign market;
- f) pursue the execution of economic contracts, especially in respecting delivery schedules and product quantities and quality;
- g) take the necessary measures on-time to prevent or eliminate any type of causes that would lead to not executing or inappropriately the contracts;
- h) complete commercial catalogues and put them to use.

Article 83. - The Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets is responsible for the proper carrying out of contracting activities and for ensuring the sale of production on the basis of contracts and domestic technical-material supply, to which end:

- a) it ensures, together with the State Planning Committee, the justification of the plan tasks on the basis of contracts in the field of production sales and technical-material supply;
- b) it ensures the on-time issuance of allocations with strict respect for consumption norms and approved stock levels and pursues the adjustment and finalizing of contracts under the conditions of this law;
- c) it reviews, in ministries, centrals and enterprises, the manner in which activities to conclude and execute economic contracts are organized and carried out; it organizes and is responsible for concluding and executing economic contracts in its own basic network and depots;
- d) it takes effective measures to respect contractual discipline and appropriately adjust contracts for the purpose of ensuring the continuity and steady pace of production, according to plan provisions.

Article 84. - The financing banks are obligated not to permit the financing and issuing of credit for the start of production, as well as for the supplying of raw materials, materials, fuels and energy for products that do not have their sale ensured through contracts.

The Superior Court of Financial Control, the Ministry of Finance and the other financial control organs will verify the application of the provisions of paragraph 1 within the limits of their authority.

Article 85. - The Ministry of Foreign Trade and International Economic Cooperation is responsible for contracting the fund of goods for export, for actions of international economic cooperation and for the necessary imports, to which end:

- a) it, together with the economic ministries, the other central organs and the foreign trade enterprises, ensures covering the plans for exports, imports and international economic cooperation with foreign contracts and concluding long-term foreign contracts;
- b) it, together with the other ministries and central organs, ensures the achievement of the export of complex economic installations and objectives, the execution of construction and assembly projects abroad and the granting of technical assistance, as well as technological engineering, consulting and other similar activities;
- c) it pursues the timely conclusion of contracts between foreign trade enterprises and economic production units which execute projects or services for the purpose of fully and on-time achieving foreign contracts;
- d) it pursues the ministries' timely ordering of imported goods and the contracting and delivery of these goods according to the requirements of production and achieving investments;
- e) it reviews the putting into production and the making of goods contracted for export, as well as the manner of fulfilling actions of international economic cooperation; it takes measures, together with the Ministry of Transportation and Telecommunications, for carrying out international transportation;
- f) it recommends for approval, under legal conditions, those industrial and agricultural units that are to specialize in production for export.

Article 86. - The Ministry of Foreign Trade and International Economic Cooperation and the Ministry of Foreign Affairs are empowered to negotiate and conclude, under legal conditions, agreements, conventions, protocols and other commercial and international economic cooperation understandings.

The ministries and other central organs can negotiate and conclude, when they are so empowered, agreements, conventions and protocols and other commercial and international economic cooperation understandings.

The Ministry of Foreign Trade and International Economic Cooperation, the ministries and other central organs are responsible for fulfilling the obligations stemming from the concluded understandings with other states in the field of foreign economic relations.

Article 87. - The centrals, enterprises and other economic units are responsible for ensuring contractual discipline, both in domestic relations and in those with foreign partners, to which end they are obligated to take measures to:

- a) establish a portfolio of orders on the basis of the results of surveying domestic and foreign markets;
- b) organize and participate in fairs and expositions of goods and to prepare, at their expense, collections of samples, catalogues, albums and prospectii for their own products in the amounts necessary for the foreign trade enterprises and domestic users so as to ensure a thorough knowledge of the technical-economic characteristics of the goods that are the object of the contract;
- c) conclude economic contracts for all the production outlined in the five year plan, as well as in the long-term, under the conditions of this law;
- d) adjust and detail the concluded contracts, according to law;
- e) achieve their tasks regarding cooperation in production and direct production according to the demands of the domestic consumers and foreign markets, as well as regarding increasing the quality and competitiveness of the products;
- f) issue orders to cover the necessary amount of raw materials, materials and products, from our country and from imports, with strict respect for the norms and standards of consumption and approved stock levels;
- g) achieve the production and delivery of the contracted products on-time and in the quantities and quality established in the concluded contracts, pursue the steady rate of technical-material supply according to the needs of production and to use all material resources with a maximum of efficiency.

Article 88. - Each economic unit is directly involved in and responsible for foreign trade activities, even if it does not enter into direct relations with the foreign market, but instead achieves this activity through the intermediacy of a central or foreign trade enterprise.

In the case where it carries out its foreign trade through another unit that directly carries out commercial operations on the foreign market, the economic unit is obligated to participate, normally, in the surveying of foreign markets and negotiating or contracting its own products.

Article 89. - The foreign trade enterprises are responsible, depending upon their type of activity, for fulfilling the export plan and putting to best use the goods on the foreign market, as well as achieving the planned imports, under the conditions of quality and within the timeframes necessary to the user units, to which end they are required:

- a) to participate in licensing abroad under conditions of continuing to promote the export of licenses, machinery, equipment, complex installations, construction-assembly projects and other goods and services;
- b) to negotiate and conclude foreign contracts at the most advantageous prices under conditions of payment and transfer that are in agreement with the interests and financial possibilities and production of the producer or user economic units;
- c) to permanently and systematically survey the foreign market and to inform the production units of the level of prices and foreign market trends for the products that are the object of their activities;
- d) to help the producer units in effectively directing and adjusting production to the demands of the foreign market;
- e) to participate in international fairs and expositions, to organize commercial advertising and to provide materials for commercial propaganda, catalogues, prospectii and other materials for the products on their lists.

In achieving their attributes, the foreign trade enterprises will cooperate with the economic centrals and units that deliver goods for export or that use imported products in order to ensure the efficiency of each foreign trade operation.

The provisions of this article are appropriately applied to the centrals and economic units authorized, according to law, to directly carry out foreign trade operations.

Section 2

Attributes and Responsibilities of Personnel in Economic Units

Article 90. - Economic contracts between socialist units are signed by the director of the unit. Foreign contracts are signed by the director of the foreign trade enterprise or, as the case may be, of the unit authorized to carry out commercial operations on the foreign market.

Under the conditions of law, the contract can be signed by another person empowered for this purpose.

The principal import and export contracts, especially the export and import of complex equipment and actions for cooperation in production, are also signed by the director general of the central, even if the central or unit which delivers goods for export or receives imported products works in foreign markets through an intermediary foreign trade unit.

The signing of a contract will be done only after carrying out a preventative control, under legal conditions.

Article 91. - The members of the executive bureau of the workers' council are responsible, according to law, for establishing the measures necessary to conclude on-time domestic and foreign contracts and to ensure the delivery of products and fulfill the obligations within the timeframes outlined in the contracts.

The responsibility of the members of the executive bureau does not exclude the responsibility of the director and chief account in committing material and monetary expenditures.

Article 92. - In the area of concluding and executing economic contracts, workers in the units have, principally, the following attributes:

- a) to justify technically and economically the orders and to issue them within the timeframes outlined by law;
- b) to contract for the sale of production and for technical-material supply under the conditions and within the timeframes established by law;
- c) to complete all work related to contracting and to draw up the contract with respect for legal provisions, with an appropriate content that will ensure the execution of the contract;
- d) to fulfill their tasks regarding ensuring the quality of contracted products, respecting shipping timeframes and packaging conditions, carrying out acceptance and fully achieving the obligations assumed by the unit in the contract.

Article 93. - Those persons guilty of not executing or inappropriately executing the obligations assumed by the socialist units in domestic contracts, including those regarding export, import and international economic cooperation activities, as well as in foreign contracts, are materially and in a disciplinary sense responsible for the damages caused and, if the act constitutes an infraction, criminally and in a civil sense responsible, according to law.

Article 94. - A person guilty of committing, within the framework of job obligations, the following acts that are violations of discipline is sanctioned:

1. with the disciplinary termination of the work contract:

- a) starting the production of products that do not have sales ensured in contracts;
- b) supplying materials and products for the production of products without ensured sales;

2. with demotion in position or in category, within the same profession, for a period of 1 to 3 months;

- a) not ensuring through contracts the execution of orders that correspond to approved plan norms and issued allocations or, as the case may be, to foreign contracts;
- b) not taking measures to organize the conclusion of economic contracts;
- c) not taking measures to achieve the obligations assumed by the contracting parties;
- d) not pursuing and not taking measures to conclude and execute contracts by the organs in whose subordination are the contracting parties and balance coordinators;

3. with a reduction in remuneration and management pay for 1 to 3 months by five to ten percent, with withdrawal of one or more in-grades or salary levels for 1 to 3 months or, in the case of those persons employed at a basic level, reduction in remuneration by five to ten percent for the same period:

- a) not respecting the timeframes for issuing orders and draft contracts, as well as for the user returning the signed contract;
- b) violating the timeframes for reconciling objections to the contract or solutions to misunderstandings stemming from the conclusion of economic contracts, including those regarding the refusal to contract.

Depending upon the seriousness of the act, the circumstances in which it was committed, the degree of guilt of the person and other elements outlined by law, any other disciplinary sanction in the Work Code can be for violations of contractual discipline, including those in points 1-3.

The uncovering of violations and the application of sanctions is done according to law.

Article 95. - In the case where the violations outlined in Article 94 are uncovered by the control organs of the centrals, ministries, other central organs, executive committees of the county and Bucharest municipal people's councils, bank control organs, the Ministry of Finance, the Ministry of Technical-Material Supply and the Review of the Management of Fixed Assets and the Ministry of Foreign Trade and International Economic Cooperation, the application of disciplinary sanctions will be done at the recommendation of the respective control organs.

Article 96. - The beginning of production of certain products that do not have ensured sales through domestic or foreign contracts or the carrying out of supply for this production in violation of the law, and which creates significant damage to public property, constitutes an infraction and is punished under the conditions of Article 248 or 249 of the Penal Code, as the case may be, if the act does not meet the criteria of a more serious infraction.

Chapter V

Final Provisions

Article 97. - The provisions of this law are completed by the provisions in the Civil Code, to the degree in which they are not contrary to the law or the nature of the relations between socialist units.

Article 98. - The model contracts described in Article 14 will be drawn up within three months from the date this law goes into effect.

Article 99. - The provisions of this law are appropriately applied to cooperatist and public organizations, as well as to actions of cooperation between state and cooperatist units or to other public organizations.

Article II. The modifications and completions made in this law take effect on the date of the publication of this law in BULETINUL OFICIAL of the Socialist Republic of Romania.

On the same date, the following are abrogated: Decision of the Council of Ministers No 306/1970 regarding some measures for the application of the Law on Economic Contracts, published in BULETINUL OFICIAL No 35 of 15 April 1970, with later additions; Decision of the Council of Ministers No 1011/1972 regarding some measures for the application of the provisions of the Law on Economic Contracts No 71/1969, published in BULETINUL OFICIAL No 95 of 29 August 1972; Decision of the Council of Ministers No 1708/1974 regarding the timeframes for users to turn over orders and technical documentation for orders for machinery and equipment with longer periods of technical and organizational preparation and for some basic raw materials and materials, as well as the timeframes for concluding afferent economic contracts, published in BULETINUL OFICIAL No 3 of 6 January 1975, as well as any other contrary provisions.

This law was approved by the Grand National Assembly in the session of 6 July 1979.

[Signed] Nicolae Giosan, president of the Grand National Assembly

Bucharest, 6 July 1979
No 3.

Annex

Standards regarding the timeframes for the users to turn over orders and technical instruction documentation, prior to the annual plan for machinery and equipment having longer periods of technical and organizational preparation

Group of Products	Timeframe (in months) for turning over orders and technical documents prior to the plan year for deliveries requested in:	
	Quarter I	Quarter II
1	2	3
I. Equipment that is made according to production designs		
1. Technological machinery and equipment for the metallurgical industry (installations for agglomeration and chemical-coking, furnaces, steel-works with converters, rolling mills and other similar installations)	6 (8)	3 (8)
2. Technological equipment for the chemical industry, crude oil processing, reeds, paper, cellulose (installations for electrolysis, preparing sulfuric acid, azotic acid, desulfurization, pyrolysis and other similar installations)	6 (8)	3 (8)
3. Technological machinery and equipment for the construction materials and refractory industry (cement lines, installations for refractory products), machinery and equipment for the wood industry and plywoods	6 (8)	3 (8)

4. Machinery and technological equipment for installations in the food industry agro-zootechnical complexes	6 (8)	3 (8)
5. Lift, transportation and handling equipment	9	6
6. Machinery and equipment for mining projects (installations for waste materials, rotor excavators and other similar types of equipment)	6 (8)	3 (8)
7. Highly complex centrifugal pumps and those with special electric motors, of which:		
-- category III, IV (special pumps)	13	10
-- category V, VI, VII (heavy pumps)	15	12
8. Industrial ventilators (equipped with special electric motors)	15	12
II. Equipment that is made according to a technical formula		
1. Thermo-energetic steam boilers rated at 1,035 tons of steam per hour (t-st/h)	21	18
2. Thermo-energetic steam boilers rated at 525 t-st/h	18	9
3. Steam boilers rated at 105 to 420 t-st/h	12	9
4. Other industrial steam boilers and special central parts	9	6
5. Hot water boilers for heating	9	6
6. Steam turbines rated at 600-700 MW	29	24
7. Steam turbines rated at 330 MW	23	18
8. Steam turbines rated at 50-160 MW	21	18
9. Other steam turbines	9	9

10. Hydraulic turbines rated at 23.5 MW Francisc	21	9
11. Hydraulic turbines rated at 20-40 MW Kaplan	18	9
12. Other Hydraulic turbines	12	9
13. Synchronous Electric motors for energetic and special equipment	12	9
14. Machinery and equipment for geo- logical research, drilling and drill hole exploitation	12	9
III. Equipment that is ordered accord- ing to the catalogues of the supplying enterprise		
1. Semi-rapid and slow naval diesel motors	9	6
2. Aggregate machinery-equipment	6	3
3. Items for typical and reuseable metallic constructions and parts	6	3

Note:

1. For complex equipment, by "period of delivery" it is understood to mean the plan year in which the deliveries are to be completed.
2. The timeframes in parentheses are only applied when imports are necessary to make the products.

8724
CSO: 2700

JOURNALISTIC ATTITUDES TOWARD STRIKES SATIRIZED

Belgrade JEZ in Serbo-Croatian 20 Jul 79 p 9

[Commentary by R. Bojicic: "Work Stoppages"]

[Text] Our newspapers write about everything. Sometimes, just to break up the monotony, they write about all sorts of things. Someone has said that just enough happens every day to fill up the newspapers.

The person who said that is obviously unfamiliar with the way in which newspapers are made. A lot happens that does not get into the newspapers, although paper is known to endure everything. Anyway, from time to time some official speaks out on some matter, and only then do we discover the subjects that newspapermen do not touch.

One gains the impression at that point that the newspapers, which are always supposed to be exercising some function, exist inside some functionary.

Even then, especially if the official has been a little severe, our newspapers do everything possible to smooth things over.

The official has an expert staff behind him: counsellors, administrators, secretaries... In front of him, he has a chauffeur. When he speaks about some problem, his words are guaranteed to be accurate. The expert staff has examined the problem from all sides. For a newspaperman, who has been listening to a speech by such an official, this fact is of inestimable value. Writing his account, the newspaperman is backed up not just by the expert staff but also by the official himself. Usually, however, the newspaperman chooses only the pretty side of the problem, so his article is reminiscent of a fashion magazine.

Let us take work stoppages as an example. Pizon [a soccer player] was recently described as having stopped working. Next, we had the opportunity to read how work on the harvest had been stopped because of rain. Likewise, we have read that work has been stopped on numerous capital projects...

Probably because the newspapers write so frequently about work stoppages, this topic is losing its interest, so some stoppages even slip by unnoticed. Then some trade-union or party official says something about those other stoppages, among other things, and the newspapers record the information on a page where you would expect to find an account of a reunion of secondary-school students from 1961-1962.

In this way, readers of newspapers have an opportunity to compare the importance of the news about Pizon and a work stoppage in some basic organization of associated labor somewhere.

Naturally, Pizon always has priority.

To the newspapers, it is simply incredible that in associated labor there can be a stoppage of associated labor.

CSO: 2800

NEW LAW REGULATES PROCEDURES IN ARMAMENT OUTPUT, SALES

Belgrade SLUZHBI LIST SFRJ in Serbo-Croatian No 25, 1 Jun 79 pp 787-797

[Text of the Law on Economic and Other Relationships in the Production and Transportation of Armaments and Military Equipment]

[Text] I. BASIC RULES

Article 1

This law regulates the special conditions and methods of realizing economic and other relationships in the area of armament and military equipment prices; foreign trade of armaments and military equipment; the business of foreign currency in connection with foreign trade of armaments and military equipment; investments by foreign persons into organizations of associated labor which produce armaments and military equipment; the conduct of economic activities abroad by organizations of associated labor which produce armaments and military equipment; the granting of the construction of investment objects to foreign contractors; the methods and conditions for realizing the special social interest in the production and transportation of armaments and military equipment and the rights and duties as well as the mutual relationships between the organizations of associated labor, other self-managing organizations associations and organs and organizations of sociopolitical associations in the areas which are regulated by this law.

The rules of this law pertain to:

1. the organizations of associated labor which, in the sense of the federal law regulating the production and transportation of armaments and military equipment, could produce armaments and military equipment;
2. to the organizations of associated labor and other self-managing organizations and associations which produce the means or perform service in Article 2, Paragraph 2 of this law, which are of special significance for the production of armaments and military equipment;
3. to the organs of sociopolitical associations in Article 4 of this law.

Article 2

The production and transportation of armaments and military equipment are activities of special social interest.

The production and transportation of finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means, as well as the performance of services in the production and transportation of armaments and military equipment, which are of special significance for the production of armaments and military equipment for the purpose of equipping the armed forces of the Socialist Federal Republic of Yugoslavia as well as other needs of all-people's defense, have a priority significance.

Article 3

The relations in areas outlined in Article 1 of this law, between organizations of associated labor, other self-managing organizations and associations and organs and organizations of sociopolitical associations are based on and regulated in accordance with the principles of a permanent assurance of the development and production of armaments and military equipment for the needs of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense and mutual interconnection and interdependence in earning and distributing income of the organizations of associated labor which produce armaments and military equipment, in accordance with the realization of the special social interest in the area of production of armaments and military equipment.

Article 4

In order to insure the realization of the special social interest and the priority meaning in Article 2 of this law, the organs of the sociopolitical associations, in accordance with the rules of this law, within the rights and duties established by the constitution and the law, will undertake the necessary measure to insure the material and other conditions for the production and transportation of armaments and military equipment, and for the successful and efficient equipping of the armed and other forces of all-people's defense with armaments and military equipment of domestic production and for the discharge of the international obligations of the Socialist Federal Republic of Yugoslavia.

Article 5

In accordance with this law, the following are considered armaments and military equipment: functional units or systems intended to equip the armed forces of the Socialist Federal Republic of Yugoslavia or for other needs of all-people's defense, which include the basic means (ship, airplane, tank, cannon, vehicle, rifle, radio equipment, etc) as well as the elements which insure the autonomous intended function of the unit or system in the performance of the assignment (ammunitions, explosives, gunpowder, pyrotechnics, smoke and incendiary equipment, special electronic equipment, optical equipment, etc), special equipment for the defense and nuclear-biological-chemical

protection, units; special tools and equipment; specific packaging materials for transportation and maintenance and technical and exploitation documents.

II. RELATIONSHIPS IN THE AREA OF ARMAMENTS AND MILITARY EQUIPMENT PRICES

Article 6

The workers in the basic and other organizations of associated labor which produce armaments and military equipment and the responsible federal organs, under the conditions of socialist production of merchandise and under the conditions of mutual dependence, interconnection and responsibility, will regulate the relationships in the area of armaments and military equipment prices in accordance with the foundations of the system of prices, the plan for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia, the middle-range and yearly programs of building, modernization, reconstruction, maintenance and utilization of the resources for the production of armaments and military equipment (henceforth in the text "building program"), the program for the development and production of armaments and military equipment (henceforth in the text "production program"), the social plan of Yugoslavia, joint planning of the production of armaments and military equipment and other acts which regulate the relationships in the area of production and transportation of armaments and military equipment.

In regulating the relationships in the area of armaments and military equipment prices, the workers in the organizations of associated labor in Paragraph 1 of this article, and the responsible federal organs are responsible for taking into account the coordination of relationships in social reproduction and the direction of all material and social development in accordance with the realization of joint goals and interests, on the basis of mutual relationships and equality in the earning of income, association of labor and increase of productivity and efficiency of labor.

According to this law, regulating relations in the area of armaments and military equipment prices is understood to be the independent formulation of armaments and military equipment prices by workers in organizations of associated labor, the formulation of prices through social agreements and self-managing contracts and the prescribing of prices by the responsible federal organs, as well as the regulation of the means of accomplishing social control of prices.

Article 7

The workers in organizations of associated labor which produce armaments and military equipment and the responsible federal organs regulate the relationships in the area of armaments and military equipment prices through social agreements and self-managing contracts regarding the prices of armaments and military equipment, which they mutually conclude, and also through other self-managing general acts.

Article 8

The policy of armaments and military equipment prices is established in accordance with the agreement on the foundations of the social plan of Yugoslavia in the area of armaments and military equipment, the social plan of Yugoslavia and the act on the realization of this plan, starting from the goals and tasks established by these acts and development plans, the building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia, the relationships in the earning and distribution of income, the insuring of the reproductive capability of the installations for the production of armaments and military equipment and the criteria established by this law, as well as the corresponding criteria established by federal law, which regulate the bases of the pricing system and the social control of prices.

The regulations for the implementation of the pricing policy in Paragraph 1 of this article will be issued by the Federal Executive Council at the proposal of the Federal Secretariat for National Defense and the federal organ responsible for the pricing.

Article 9

In order to realize the goals and tasks established by the plans for development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense, both war and peacetime, with armaments and military equipment of domestic production under the best possible conditions, the regulation of relationships in the area of armaments and military equipment prices will proceed from the following criteria:

1. insuring an efficient and rational development of production and transportation of armaments and military equipment as well as the reproductive capability of the installations for the development and production of armaments and military equipment;
2. material balance in the area of armaments and military equipment, i.e. the relationship between production and consumption, the imports and exports and reserves of armaments and military equipment and finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials, services and other means, which are of special significance for the production of armaments and military equipment;
3. relationships in the earning and distribution of income and the dependence of income on work productivity and success in managing and earning through social means in the production of armaments and military equipment;
4. price trends of finished products, semifinished products, aggregates, subaggregates, parts, reproduction material, raw materials, services, etc., as well as their influence on the prices of armaments and military equipment;

5. the price trends of armaments and military equipment on foreign markets, i.e., in international trade of the Socialist Federal Republic of Yugoslavia and their influence on the prices of armaments and military equipment in domestic production, in order to survey and stimulate work productivity, rational utilization of social means and strengthening of other qualitative factors of earning in the production of armaments and military equipment;

6. the stimulation of development of production forces, and particularly the strengthening of the material base of associated labor in the area of armaments and military equipment, in accordance with the planned development in this area;

7. the specifics stemming from the character of armaments and military equipment and their development, production and transportation.

The Federal Executive Council, at the request of the Federal Secretariat for National Defense, may publish regulations on the application of the criteria from Paragraph 1 of this article.

Article 10

The social agreement regarding the prices of armaments and military equipment regulates the bases, criteria and standards for regulating the relationships in the area of armaments and military equipment prices, as well as the finished products, semifinished products, systems, subsystems, parts, reproduction materials, raw materials and other means and services in the production and transportation of armaments and military equipment, which are of special significance for the production of armaments and military equipment, and works out the method for applying the criteria in Article 9 of this law.

The social agreement in Paragraph 1 of this article will be concluded by the organizations of associated labor which produce armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means, i.e., the organizations of associated labor which perform services of special significance for the production of armaments and military equipment, and the Federal Executive Council, or an organ designated by it.

Article 11

The participants in the social agreement in Article 10 of this law are responsible for starting the initiative to conclude the social agreement on the prices of armaments and military equipment, i.e., the services in the production and transportation of armaments and military equipment, within 6 months of the date this law comes into effect.

If, within the time period stipulated in Paragraph 1 of this article, the initiative for concluding the social agreement from this paragraph is not started, i.e., if such a social agreement is not concluded or if it should cease to be in effect for any reason, the Federal Executive Council may

prescribe the measures and methods for formulating the prices of armaments and military equipment, i.e., of services in the production and transportation of armaments and military equipment, or prescribe the prices of armaments and military equipment, in accordance with the regulations of this law.

The rule formulated on the basis of Paragraph 2 of this article shall be applied until the questions regulated by this rule are settled with a social agreement according to the regulations of this law.

Article 12

The social agreement in Article 10 of this law also contains regulations regarding: the measures which insure the application of criteria and standards established by the agreement; the regulation of mutual relationships in the event of exceptional circumstances in the production and transportation of armaments and military equipment; the method of removing the influence of great economic and other disturbances on the prices of armaments and military equipment and the prices of finished products and other means and services which are of special significance for the production of armaments and military equipment (Article 2, Paragraph 2); the time periods and processes of changing the prices of armaments and military equipment and services in Article 2, Paragraph 2 of this law, and the method for execution and control of the implementation of the agreement, as well as other questions which are significant for the formulation of prices of armaments and military equipment.

Article 13

The self-managing agreements regarding the prices of armaments and military equipment will coordinate the interests and regulate the relationships of common interest of the organizations of associated labor which produce armaments and military equipment and the organizations of associated labor which produce the finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means, or which perform services in the production and transportation of armaments and military equipment which are of special significance for the production of armaments and military equipment, and further work out the bases, criteria and standards from the social agreement on the prices of armaments and military equipment.

Article 14

The self-managing agreement in Article 13 of this law and other self-managing agreements will specifically contain the following stipulations:

1. concerning the mutual deliveries and acceptance of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw material and other means, i.e., concerning the performance of services in the production and transportation of armaments and military equipment, which are of special significance for the production of armaments and military equipment;

2. concerning the mutual relationships in earning and distribution of common income and common income realized through association of labor and resources;
3. concerning the method of assuming common risks in the production and transportation of armaments and military equipment;
4. concerning the method and procedure of mutual notification on formulating and changing prices of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials, and other means, as well as prices of services in the production and transportation of armaments and military equipment which are of special significance for the production of armaments and military equipment;
5. concerning the time periods and methods of changing the self-managing agreements on prices in Article 13 of this law and other self-managing agreements.

Article 15

The self-managing agreement in Article 15 of this law will be concluded by the organizations of associated labor which produce armaments and military equipment, i.e., by the organizations of associated labor which produce the finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means, or which perform certain services in the production and transportation of armaments and military equipment which are of special significance for the production of armaments and military equipment, the Association of the Armament and Military Equipment Industries of Yugoslavia, and the Federal Secretariat for National Defense.

The Federal Secretariat for National Defense will conclude the self-managing agreements with the organizations of associated labor in Paragraph 1 of this article when it associates or invests the resources at its disposal into the development, production or transportation of armaments or military equipment, as well as the construction, reconstruction and modernization of the installations of such organizations of associated labor, and in other instances when it contributes, with its resources, to a more efficient and rational development and production of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials, and services for the production of armaments and military equipment.

Article 16

If the self-managing agreement in Article 13 of this law is not concluded within 6 months of the day of starting the initiative for its conclusion or if this self-managing agreement should cease to be in force for any reason whatsoever, the Federal Executive Council may publish regulations regarding

the working out of standards for formulating the prices of armaments and military equipment, i.e., publish regulations for formulating the prices of finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means as well as the services in the production and transportation of armaments and military equipment which are of special significance for the production of armaments and military equipment, with the exception of those in Article 14, Point 2 of this law.

The regulations published in accordance with Paragraph 1 of this article will be applied until a self-managing agreement in accordance with Article 13 of this law is concluded, i.e., until the organizations of associated labor which have not concluded or joined the self-managing agreement do so.

Article 17

The workers in the organizations of associated labor which produce armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials, and other means, i.e., which perform services in the production and transportation of armaments and military equipment which are of special significance to the production of armaments and military equipment, in relationships of mutual dependence, interconnection and responsibility, will independently formulate the prices of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means as well as the services in the production and transportation of armaments and military equipment which are of special significance for the production and transportation of armaments and military equipment, in accordance with this law, the regulation based on it, social agreement and self-managing contract.

Article 18

The price of articles of armament and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction materials, raw materials and other means, or prices of services in the production and transportation of armaments and military equipment which are of special significance for the production and transportation of armaments and military equipment, will be established through a self-managing agreement or contract, concluded between the organizations of associated labor which produce armaments and military equipment and other organizations of associated labor, i.e., by a contract concluded between the organizations of associated labor which produce armaments and military equipment or other organizations of associated labor and the Federal Secretariat for National Defense.

Article 19

In the process of concluding, changing and supplementing, breaking or cessation of effectiveness and effective dates of the social agreement in Article 10 of this law, or the self-managing agreement in Article 13 of this law, the federal laws pertaining to these questions will be applied, unless otherwise specified by this law.

Article 20

The following is understood under the social control in the area of armaments and military equipment, according to this law. The control of application of criteria regarding the prices which were established by this law and standards from the concluded social agreements and self-managing contracts and regulations published on the basis of this law; the control of the actions of the participants in the social agreements and self-managing contracts in the formulation of prices; the undertaking of measures against the participants who do not abide by the regulations in this law, the concluded social agreements and self-managing contracts as well as the undertaking of measures for the immediate control of prices.

If the responsible organ of the federation should, through a measure of immediate controls of the prices of armaments and military equipment, prescribe a price which is lower than the price which would have been formulated in accordance with the criteria from this law, or from the social agreements and self-managing contracts concluded in accordance with the stipulations of this law, and should it in that manner disturb the equality of the organizations of associated labor in earning income and disposing of their work results, it must then establish compensation in accordance with federal law.

Article 21

The activities connected with the prices in the area of armaments and military equipment, in accordance with the stipulations of this law, which are accomplished by the organs responsible for price activities in accordance with the stipulations of a special federal law for other products and services, will be accomplished by the federal organ responsible for the price activities, under conditions and in a manner prescribed by the Federal Executive Council, at the proposal of the Federal Secretariat for National Defense and the federal organ responsible for price activities.

Article 22

The regulations of the federal law on the basis of the system of prices and the social control of prices will be applied in a suitable manner to the ordering of the relationships and the formulation of prices, to the establishment of the pricing policy and the accomplishment of the social control of prices in the area of armaments and military equipment.

The Federal Executive Council, at the proposal of the Federal Secretariat for National Defense and the federal organ responsible for pricing activity, will establish the method for the appropriate application of the federal law from Paragraph 1 of this article to the regulation of relationships and the formulation of prices in the area of armaments and military equipment and to the realization of the established pricing policy and accomplishment of the social control of these prices.

III. RELATIONSHIPS IN THE FOREIGN TRADE OF ARMAMENTS AND MILITARY EQUIPMENT

Article 23

Foreign trade in armaments and military equipment may be conducted only in the realization of the plans for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense and in meeting the international obligations of the Socialist Federal Republic of Yugoslavia.

Foreign trade in armaments and military equipment is limited and may be conducted only under the conditions and in the manner established by federal law.

Article 24

According to this law, the following are considered foreign trade in armaments and military equipment:

1. exports and imports of armaments and military equipment, i.e., equipment for the production of armaments and military equipment, finished products, semifinished products, systems, subsystems, and parts which are utilized in the production of armaments and military equipment;
2. exports and imports of reproduction materials and raw materials for the production of armaments and military equipment;
3. activities in business-technical cooperation, activities of long-term production cooperation and activities in acquiring and furnishing material rights in the area of technology of armaments and military equipment;
4. the execution of investment activities abroad (planning, construction, equipping, etc, of installations for the production of armaments and military equipment and other military projects);
5. the activities of representing foreign firms, activities of acting as an intermediary in the foreign trade of armaments and military equipment, activities of overhauling and other services in the trade of armaments and military equipment.

Article 25

The foreign trade of armaments and military equipment in Article 24 of this law is performed by the Federal Secretariat for National Defense, or, under its authorization, the Federal Directorate for transportation and reserves of products for special purposes.

The foreign trade in armaments and military equipment in Article 24 of this law may also be performed by organizations of associated labor provided they receive approval for conducting this trade from the Federal Secretariat for National Defense.

Article 26

The Federal Executive Council decides which equipment, products, semifinished products, systems, subsystems, parts, reproduction materials or raw materials from Article 26, Points 1 and 2 of this law may be exported or imported only on the basis of a special license issued by the Federal Secretariat for National Defense.

Article 27

The sociopolitical associations, organizations of associated labor and other self-managing organizations and associations will import, through the Federal Secretariat for National Defense, the armaments and military equipment for the needs of territorial defense and other needs of all-people's defense, which they are, according to the regulations obligated to finance.

The regulations concerning the imports of armaments and military equipment in Paragraph 1 of this article will be issued by the Federal Secretary for National Defense.

Article 28

The armaments and military equipment, i.e., the equipment for the production of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts and other means may be exported only if they are incorporated into the armaments of the armed forces of the Socialist Federal Republic of Yugoslavia and if they are produced according to the technical documentation and other condition prescribed by the Federal Secretary for National Defense.

An exception to the stipulation in Paragraph 1 of this article is made for armaments and military equipment, or equipment for the production of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts and other means, which may be exported even when they are produced under special technical documentation and conditions specified in the contract with the foreign buyer, which have been agreed to by the Federal Secretary for National Defense.

Article 29

The exports of armaments and military equipment, or finished products, semifinished products, systems, subsystems, parts, and equipment for the production of armaments and military equipment, as well as services in the production and transportation of armaments and military equipment will be accomplished in accordance with the program for exports of armaments and military equipment.

The program for the exports of armaments and military equipment will be issued by the Federal Directorate for Transportation and reserves of products for special purposes and the organizations of associated labor which produce armaments and military equipment within the framework of the Association of Armaments and Military Equipment Industries of Yugoslavia, in accordance with the Federal Secretariat for National Defense.

Article 30

The imports of armaments and military equipment or finished products, semi-finished products, systems, subsystems, parts, raw materials, reproduction material, equipment for the production of armaments and military equipment, etc, will be accomplished on the basis of the program for the imports of armaments and military equipment which is issued by the Federal Secretary for National Defense.

Article 31

The programs from Articles 29 and 30 of this law are issued in accordance with the plans for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense, the social plan of Yugoslavia and other acts regulating the questions of production and transportation of armaments and military equipment.

Article 32

The organizations of associated labor which produce armaments and military equipment and other organizations of associated labor, the Federal Secretariat for National Defense and the Federal Directorate for the Transportation and Reserves of Products for Special Purposes may enter into contract with real and legal foreign persons regarding the execution of investment projects abroad which pertain to the construction of installations for the production of armaments and military equipment and other military projects, under the conditions and in the manner prescribed by the Federal Executive Council in accordance with federal law.

The organizations of associated labor and the Federal Directorate for Transportation and Reserves of Products for Special Purposes may undertake the preparatory and initial activities for the concluding of contracts in Paragraph 1 of this article only on the basis of previous agreement by the Federal Secretariat for National Defense.

The contract in Paragraph 1 of this article may be concluded only on the basis of a permission from the Federal Secretariat for National Defense.

A contract concluded in the sense of Paragraph 3 of this article will be submitted, within the time period stipulated by the permission, to the Federal Secretariat for National Defense to be recorded.

Article 33

A notification regarding the conclusion of a contract, and a notification regarding the dissolution of a contract regarding foreign trade activities in armaments and military supplies, will be submitted by the Federal Directorate for Transportation and Reserves of Products for Special Purposes or by the organization of associated labor to the National Bank of Yugoslavia.

The Federal Secretary for National Defense will issue regulations concerning the content, method and time periods for submitting the notification in Paragraph 1 of this article.

Article 34

The activities of representing foreign firms and acting as an intermediary in the foreign trade of armaments and military equipment will be accomplished under the conditions and in the manner prescribed by the Federal Executive Council.

The preparatory and initial activities for concluding contracts in Paragraph 1 of this article and the concluding of these paragraphs will be approved by the Federal Secretariat for National Defense.

The contracts in Paragraph 2 of this article will be registered in the Federal Secretariat for National Defense, under the conditions and in the manner prescribed by the Federal Secretary for National Defense.

Article 35

The measure regarding the temporary curtailing of foreign trade in armaments and military equipment will be issued by the Federal Executive Council.

Measures regarding the temporary curtailment of foreign trade in equipment for the production of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other means and services in the production of armaments and military equipment which are of special significance for the production of armaments and military equipment, will be issued by the Federal Executive Council in accordance with the regulations of the federal law regulating foreign trade of goods and services, taking into account the realization of the plans for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia, other needs of all-people's defense and the fulfilling of the international obligations of the Socialist Federal Republic of Yugoslavia.

The Federal Executive Council is charged with immediately notifying the Presidency of the Socialist Federal Republic of Yugoslavia of the issued temporary restricting measures of foreign trade in the area of armaments and military supplies.

Article 36

The rules of the federal law which regulates foreign trade of goods and services, as well as the federal law on tariffs, which deal with the procedure and method for assessing tariffs, inspection of merchandise and control, do not apply to the activities in foreign trade which are accomplished directly by the Federal Secretariat for National Defense, or under its authorization, by the Federal Directorate for Transportation and Reserves of Products with

Special Purposes, for the needs of the armed forces of the Socialist Federal Republic of Yugoslavia or for the fulfillment of the international obligations of the Socialist Federal Republic of Yugoslavia, according to the decision of the Federal Executive Council.

The regulations concerning the method of accomplishing the foreign trade in Paragraph 1 of this article will be issued by the Federal Secretary for National Defense.

The regulations concerning the application of the regulations of the federal law on tariffs, method and accomplishing of assessing tariffs, inspection of merchandise and supervision of foreign trade in Paragraph 1 of this article will be issued by the director of the Federal Directorate of Tariffs, in agreement with the Federal Secretary for National Defense.

Article 37

The foreign trade activities pertaining to armaments and military supplies in Article 24 of this law will, due to an authorization from the Federal Secretariat for National Defense, be accomplished by the Federal Directorate for Transportation and Reserves of Products for Special Purposes in its own name and as a matter of its own concern, by the organization of associated labor, also in its own name and as a matter of its own concern, or in the name and for the concern of these organizations.

Article 38

The bases, criteria and standards for the regulation of activities in the conduct of business in foreign trade from Article 24 of this law and other questions connected with it, which are accomplished by the Federal Directorate for Transportation and Reserves of Products for Special Purposes for the organizations of associated labor which produce or which participate in the production of armaments and military equipment, will be regulated through social agreement.

The social agreement of Paragraph 1 of this article will be concluded by the Federal Executive Council and the organizations of associated labor which produce or which participate in the production of armaments and military equipment, within the Association of Armament and Military Equipment Industries of Yugoslavia.

The coordination of interests and the regulation of relationships and the further working out of the bases, criteria and standards of the social agreement of Paragraph 1 of this article will be regulated with self-managing agreements regarding foreign trade in armaments and military equipment, which will be concluded by the organizations of associated labor from Paragraph 2 of this article and the Federal Secretariat for National Defense--the Federal Directorate for Transportation and Reserves of Products for Special Purposes.

Article 39

The self-managing agreement in Article 38, Paragraph 9 of this law will regulate especially the following:

1. the conditions and methods of an organized and unified execution of foreign trade;
2. the mutual rights and obligations in regard to research, development and production of armaments and military equipment for exports needs;
3. more specific conditions and methods for programming exports and imports of armaments and military equipment;
4. establishing incomes realized by the foreign trade executed by the Federal Directorate for Transportation and Reserves of Products for Special Purposes for the organizations of associated labor which produce armaments and military equipment, and the business expenses of the Federal Directorate for Transportation and Reserves of Products for Special Purposes;
5. the distribution of realized income among the organizations of associated labor which produce armaments and military equipment;
6. the joint undertaking of risks by organizations which produce armaments and military equipment and the Federal Directorate for Transportation and Reserves of Products for Special Purposes, in regard to foreign trade as mentioned in Article 24 of this law;
7. the association of resources for the development and production of armaments and military equipment for exports, crediting the exports of armaments and military equipment, creating reserves of armaments and military equipment for export needs, stimulating exports of armaments and military equipment and insuring against risks in the exports of armaments and military equipment;
8. measures which will be undertaken by the participants in the self-managing agreement, within the framework of their rights and obligations, or proposed by them in order to advance the foreign trade in armaments and military equipment.

The self-managing agreement in Paragraph 1 of this article will also regulate other questions of foreign trade in Article 24, which are significant for the participants in the self-managing agreement.

Article 40

Should the social contract from Article 38, Paragraph 1 of this law not be concluded within 6 months of the day this law comes into effect or, should the social contract cease to be in effect for any reason whatsoever, the Federal Executive Council will issue a regulation regulating the questions from Article 38, Paragraph 1 of this law.

Should the self-managing agreement from Article 38, Paragraph 3 of this law not be concluded within 6 months of the day the initiative for its conclusion is initiated or, should the self-managing agreement cease to be in effect for any reason whatsoever, the Federal Executive Council may issue regulations concerning the working out of bases, criteria and standards which are established by the social contract from Article 38, Paragraph 1 of this law, and regulate questions from Article 39, Paragraph 1, Points 1, 2, and 3 of this law, i.e., prescribe measures for advancing foreign trade in armaments and military equipment.

The regulations from Paragraphs 1 and 2 of this article will apply until the questions which are regulated by these regulations are not settled by a social contract or a self-managing agreement.

Article 41

In order to conduct the foreign trade in Article 24 of this law, the Federal Directorate for Transportation and Reserves of Products for Special Purposes may establish permanent representations and permanent delegate posts abroad.

The regulations concerning the establishment, function and abolishing of permanent representations and permanent delegate posts abroad will be issued by the Federal Secretary for National Defense.

Article 42

Unless otherwise stipulated by this law, the federal regulations concerning foreign trade in goods and services will apply to the foreign trade in Article 24 of this law.

IV. OTHER RELATIONSHIPS IN THE PRODUCTION AND TRADE IN ARMAMENTS AND MILITARY EQUIPMENT

Article 43

The organizations of associated labor which produce armaments and military equipment and the Federal Directorate for Transportation and Reserves of Products for Special Purposes have, in the matters of foreign currency and credit relationships with abroad, rights and responsibilities which the federal law which regulates foreign currency and credit dealings with abroad accords to organizations of associated labor, unless otherwise specified by this law.

Article 44

The coordination of mutual relationships and interests in the area of foreign trade in armaments and military equipment and other economic relationships with abroad in the area of armaments and military equipment, the organizations of associated labor which produce armaments and military equipment and the Federal Directorate for Transportation and Reserves of Products for Special Purposes will realize in the Association of Armaments and Military Equipment Industry of Yugoslavia.

Article 45

The Federal Executive Council will establish, in accordance with guidelines from the responsible organ of the federation, measures and mechanisms for regular and supplementary stimulation of exports of products for special purposes and other forms of economic relations with abroad, whose special purposes are of general social interest.

Article 46

The foreign payment flow in activities of foreign trade from Article 24 of this law, which are conducted by the organs and organizations in Article 25 of this law, and the method of payments and billings in regard with these activities will be regulated through a social contract which will be concluded between the Federal Executive Council and the organizations of associated labor which produce armaments and military equipment, within the framework of the Association of Armaments and Military Equipment Industry of Yugoslavia.

Should the social contract in Paragraph 1 of this article not be concluded within 6 months of the day this law comes into effect, or should the concluded social contract in Paragraph 1 of this article cease to be in effect for any reason whatsoever, the Federal Executive Council will issue regulations regarding the conditions and method of conducting the foreign payment flow in activities in Paragraph 1 of this article, and the method of billings and payments in regard to these activities.

Article 47

Resources for payments abroad for foreign trade activities from Article 24 of this law, which the Federal Directorate for Transportation and Reserves of Products for Special Purposes conducts in its name for the organizations of associated labor which produce armaments and military equipment, will be provided by these organizations of associated labor and placed at the disposal of the Federal Directorate for Transportation and Reserves of Products for Special Purposes, at least 8 days before the period in which the payments abroad are to be made.

The foreign currency for the payment of imports of specific equipment for the production of armaments and military equipment, finished products, semi-finished products, systems, subsystems, parts, raw materials and reproduction material for the development and production of armaments and military equipment for the purpose of development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia, will be provided to the organizations of associated labor from Article 1, Paragraph 2, Point 1 of this law, through the Federal Secretariat for National Defense, under the conditions and methods prescribed by the Federal Executive Council.

The foreign currency for the payment of imports of equipment for the production of armaments and military equipment, finished products, semifinished

products, systems, subsystems, parts, raw materials and reproduction material for the development and production of armaments and military equipment for exports to execute the international obligations of the Socialist Federal Republic of Yugoslavia, will be provided by the organizations of associated labor which produce the armaments and military equipment with the resources which they realize through the exports of armaments and military equipment.

If the amount of foreign currency realized through the exports in Paragraph 3 of this article is not sufficient to cover the imports in Paragraph 3 of this article, the necessary amount of foreign currency will be provided to the organizations of associated labor which produce armaments and military equipment through the Federal Secretariat for National Defense, under the conditions and in the manner specified by the Federal Executive Council.

Article 48

The Federal Directorate for Transportation and Reserves of Products for Special Purposes must immediately, and in any event not later than 8 days from the receipt of the excerpt on the inflow of foreign currency into its foreign currency account realized through foreign trade in Article 24 of this law, for the organizations of associated labor which produce armaments and military equipment, issue an order to transfer this foreign currency into the foreign currency accounts of the organizations of associated labor to whom this foreign currency belongs.

Article 49

The payments and billings in foreign trade activities in material rights to technology in the area of armaments and military equipment (patents, license, etc) and foreign trade in know-how in the area of armaments and military equipment, will be conducted under the conditions and in the manner prescribed by the Federal Executive Council.

Article 50

The Federal Directorate for Transportation and Reserves of Products for Special Purposes must keep special records of foreign trade transactions which it conducts in its name and for the organizations of associated labor which produce armaments and military equipment, and make it possible for these organizations to inspect the books and other records for their information, and must place at their disposal the appropriate documents so they can realize their foreign currency and other rights.

Article 51

The social contract in Article 38, Paragraph 1 of this law establishes the bases, criteria and standards for regulating the relationships in Articles 47 and 48 of this law, between the Federal Directorate for Transportation and Reserves of Products for Special Purposes and the organizations of associated labor which produce armaments and military equipment.

Article 52

Foreign credit relationships in the area of armaments and military equipment will be based and realized on the decisions of the Federal Executive Council, which will be issued in accordance with the plans for the development, building and equipping of the armed forces of the Federal Socialist Republic of Yugoslavia, other needs of all-people's defense and the need to discharge the international obligations of the Federal Socialist Republic of Yugoslavia, within the framework of the Social Plan of Yugoslavia.

Article 53

Foreign credit relationships, in accordance with Article 52 of this law, will be entered into and realized by the Federal Secretariat for National Defense, or at its direction, by the Federal Directorate for Transportation and Reserves of Products for Special Purposes, when they fall into the area of armaments and military equipment.

Foreign credit relationships, regarding the conduct of foreign trade in Article 24 of this law, may be entered into and realized also by the organizations of associated labor, if they receive approval from the Federal Secretariat for National Defense.

Article 54

The National Bank of Yugoslavia will give guarantees, superguarantees and other forms of guarantees for foreign credits which will be utilized by the Federal Secretariat for National Defense, or at its authorization, by the Federal Directorate for Transportation and Reserves of Products for Special Purposes, in accordance with Article 52 of this law, upon a decision by the Federal Executive Council.

Article 55

Credit activities connected with the credit relationships in Article 53 of this law, as well as intents to conclude such activities, will be registered at the National Bank of Yugoslavia--Military Service.

The National Bank of Yugoslavia--Military Service will keep records of concluded foreign credit activities from Paragraph 1 of this article.

The method and time periods of registration, i.e., record keeping, the contents and deadlines for submitting reports of intent to enter contracts, or concluded credit activities as per Paragraph 1 of this article will be prescribed by the National Bank of Yugoslavia in accordance with the Federal Secretariat for National Defense.

Article 56

Temporary limitations on payments abroad, stipulated by the federal law regulating foreign currency dealings and foreign credit relationships which

pertain to imports of armaments and military equipment will be imposed by the Federal Executive Council.

Temporary limitations on payments for imports of equipment for the production of armaments and military equipment, finished products, semifinished products, systems, subsystems, parts, reproduction material, raw materials and other resources for the performance of service in the production and transportation of armaments and military equipment which are of special significance for the production of armaments and military equipment, will be imposed by the Federal Executive Council, keeping in mind the plans for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense, as well as meeting the international obligations of the Socialist Federal Republic of Yugoslavia.

The Federal Executive Council must advise the Presidency of the Socialist Federal Republic of Yugoslavia regarding any temporary limits on payments for imports of armaments and military equipment that it may impose on the basis of Paragraph 1 of this article.

Article 57

The foreign currency control of activities outlined in this law which are performed to satisfy the needs of the armed forces of the Socialist Federal Republic of Yugoslavia and other needs of all-people's defense, which are performed by the Federal Secretariat for National Defense, as well as currency control of the activities performed by the organizations of associated labor which produce armaments and military equipment and the Federal Directorate for Transportation and Reserves of Products for Special Purposes, will be performed by the National Bank of Yugoslavia--Military Service.

Article 58

Investments by foreign legal and physical persons into organizations of associated labor which produce armaments and military equipment may be done only in accordance with the plans for the development, building and equipping of the armed forces of the Socialist Federal Republic of Yugoslavia, other needs of all-people's defense and meeting the international obligations of the Socialist Federal Republic of Yugoslavia, the social plan of Yugoslavia and other regulations which regulate the production and trade in armaments and military equipment.

Article 59

The organization of associated labor which produces armaments and military equipment or, at its authorization, the Federal Secretariat for Transportation and Reserves of Products for Special Purposes, may execute preparatory and initial actions pertaining to formation of contracts concerning the investment of resources by foreign legal and physical persons only with the prior approval by the Federal Secretariat for National Defense. Before receiving the approval, the organizations of associated labor, or the Federal Directorate for Transportation and Reserves of Products for Special Purposes,

may not give the foreign person any information regarding production of armaments and military equipment, or allow any picture taking.

The contracts in Paragraph 1 of this article may be concluded by the organizations of associated labor which produce armaments and military equipment or the Federal Directorate for Transportation and Reserves of Products for Special Purposes only with the approval of the Federal Secretariat for National Defense.

A contract which is concluded according to Paragraph 2 of this article will be submitted to the Federal Secretariat for National Defense to be recorded within the time period stipulated in the approval.

The Federal Secretariat for National Defense may also conclude contracts pertaining to investments by foreign legal and physical persons into organizations of associated labor which produce armaments and military equipment, when this is agreed to by the organization in question.

Article 60

The construction of an investment project, or the execution of certain jobs in the investment project which are specified by special regulations as being of interest to national defense, may be awarded to a foreign contractor only if this will not jeopardize the interests and security of national defense.

Organizations of associated labor may conduct preparatory and initial work regarding the conclusion of contracts, and conclude contracts regarding the award of construction of investment projects or the execution of specific jobs on the investment projects only on the basis of permission granted by the Federal Secretariat for National Defense.

Article 61

In order to realize the interests and goals in the area of national defense, meeting of international obligations of the Socialist Federal Republic of Yugoslavia and the development and stabilization of the production of armaments and military equipment, the Federal Secretariat for National Defense, or at its authorization, the Federal Directorate for Transportation and Reserves of Products for Special Purposes, will conduct those economic activities abroad which are provided for by federal law regulating the conduct of economic activities abroad.

The organizations of associated labor which produce armaments and military equipment may conduct economic activity abroad as per Paragraph 1 of this article only with the previous approval of the Federal Secretariat for National Defense.

Article 62

The federal regulations will apply in a suitable manner to the investments of resources by foreign legal and physical persons, the awarding of construction of investment projects to foreign contractors, and the conduct of

economic activities abroad in the areas of national defense and production of armaments and military equipment, unless otherwise specified by this law.

Article 63

The Federal Executive Council will issue regulations on the application of rulings in Articles 58-62 of this law.

V. REGULATIONS ON SECURITY AND SOCIAL SELF-DEFENSE IN THE AREA OF ECONOMIC AND OTHER RELATIONSHIPS IN THE PRODUCTION AND TRADE OF ARMAMENTS AND MILITARY EQUIPMENT

Article 64

Security and social self-defense in the area of economic and other relationships in the production of armaments and military equipment will be organized and implemented according to the stipulations of the federal law regulating national defense and the federal law regulating the production of armaments, as well as the regulations issued according to these laws.

Article 65

The transit of armaments and military equipment across the territory of the Socialist Federal Republic of Yugoslavia may be done only in accordance with special permission from the Federal Secretariat for National Defense.

Article 66

Data which represent secret data of national defense may not be entered into the declaration on the concluded agreement for exports or imports of armaments and military equipment, nor may it be entered into tariff declarations.

The Federal Secretary for National Defense will stipulate which data may not be entered into the declarations from Paragraph 1 of this article.

VI. REGULATION REGARDING SUPERVISION AND RESOLUTION OF DISPUTES IN THE AREA OF ECONOMIC AND OTHER RELATIONSHIPS IN PRODUCTION AND TRADE OF ARMAMENTS AND MILITARY EQUIPMENT

Article 67

Regarding supervision and solving of disputes in the area of economic and other relationships in the production and trade of armaments and military equipment, the regulations of the law regulating the production of armaments and military equipment will apply.

VII. PENALTY REGULATIONS

Article 68

A monetary penalty ranging from 100,000 to 1,000,000 dinars will be assessed against an organization of associated labor or another legal person for the following economic infractions:

1. if it should conduct foreign trade activities in armaments and military equipment without the approval of the Federal Secretary for National Defense (Article 25, Paragraph 2);
2. if it should import armaments and military equipment contrary to the provisions of this law and the provisions of other regulations on imports of armaments and military equipment (Article 27);
3. if it should undertake preparatory and initial activities for the concluding of contracts, or if it should conclude a contract for business-technical cooperation or execution of investment activities in the area of production of armaments and military equipment without the concurrence or approval of the Federal Secretariat for National Defense, or if the concluded contract covering these activities is not forwarded to the Federal Secretariat for National Defense to be recorded, within the time period stipulated in the permission (Article 32);
4. if it should conduct the business of representing foreign firms or act as an intermediary in the foreign trade of armaments and military equipment against the stipulated terms and conditions, or if it should, without the approval of the Federal Secretariat for National Defense, undertake the preparatory and initial steps to conclude such a contract, or if it should conclude such a contract (Article 34);
5. if, contrary to regulations, it should establish or abolish a permanent representation or a permanent delegate post abroad (Article 41);
6. if it should, without the approval of the Federal Secretariat for National Defense, initiate or conduct foreign credit relationships;
7. if it should, without prior approval of the Federal Secretariat for National Defense, conduct preparatory and initial activities for concluding a contract, or if it should conclude a contract for investment by a foreign person into an organization of associated labor which produces armaments and military equipment (Article 59, Paragraphs 1 and 2);
8. if it should, contrary to the stipulations of Article 60, Paragraph 1 of this law, award to a foreign contractor the construction of an investment project or specific jobs or if it should conduct preparatory and initial activities connected with the conclusion of such contract, or if it should conclude such a contract without the prior approval of the Federal Secretariat for National Defense (Article 60, Paragraph 2);

9. if it should conduct economic activity abroad in the area of armaments and military equipment without prior approval from the Federal Secretariat for National Defense (Article 61, Paragraph 2);

10. if it should not act according to, or if it should act against, the regulations of the Federal Executive Council in the application of regulations in Articles 58-62 of this law (Article 63);

11. if it should conduct transit of armaments and military equipment across the territory of the Socialist Federal Republic of Yugoslavia without the approval of the Federal Secretariat for National Defense (Article 65).

For infractions of Paragraph 1 of this article, the responsible person in the organization of associated labor, or another legal person, will be assessed a penalty from 2,000 to 30,000 dinars for economic infractions.

Article 69

For economic infractions of Article 68 of this law, the organization of associated labor or another legal person may be assessed a monetary penalty of up to 20 times the amount of foreign currency, dinars, or other values which are the subject of the economic infraction, if the consequences are sufficiently grave.

Article 70

The articles and property gain acquired through the execution of the economic infraction of Article 68 of this law will be confiscated from the organization of associated labor or any other legal person.

Article 71

A monetary penalty from 5,000 to 100,000 dinars will be assessed against the organization of associated labor or any other legal person for the following infractions:

1. if, in formulating the prices of armaments and military equipment it does not follow the criteria for formulating prices which were established by a social contract (Article 10) and standards established by a self-managing agreement (Article 14);

2. if it should export armaments and military equipment, systems, subsystems, semifinished products and other articles which are of special significance for the production of armaments and military equipment, and were not produced in accordance with the appropriate documents or other conditions (Article 28);

3. if it should not submit to the National Bank of Yugoslavia a report on the conclusion or a report on the breaking of a contract pertaining to foreign trade activities in armaments and military equipment, or if it should fail to submit such a report within the stipulated time or manner, as established by regulations (Article 33);

4. if, in foreign trade activities in armaments and military equipment, it fails to act or acts contrary to the conditions and methods of conducting such activities, as established by a social contract of self-managing agreement (Article 38) or regulations which regulate these questions (Article 40, Paragraph 2);

5. if it should conduct the payments and billing for foreign trade activities or material rights to technology in the area of armaments and military equipment production, through other means or contrary to the stipulated methods or conditions of payments (Article 49);

6. if it should act, or if it should act contrary to the regulations on the methods and time periods of registration, documentation, contents and time periods for submitting intents of concluding or concluded foreign credit relationships (Article 55, Paragraph 3);

7. if it should enter data which it may not enter into a report of a concluded export or import activity in the area of armaments and military equipment (Article 66).

For infractions as per Paragraph 1 of this article, the responsible person in the organization of associated labor, or another legal person, will be assessed a fine from 1,000 to 10,000 dinars.

VIII. TRANSITIONAL AND CONCLUDING REGULATION

Article 72

The regulations and other acts which were issued by the Federal Secretariat for National Defense and the regulating federal organs in the area of production and trade of armaments and military equipment up to the day this law takes effect will be harmonized with the stipulations of this within 3 months of the day this law takes effect.

Article 73

This law will go into effect on the eighth day following the day of its publication in the SLUZBENI LIST SFRJ.

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